

S&T BANCORP INC  
Form S-4  
December 09, 2011  
Table of Contents

As Filed with the Securities and Exchange Commission on December 9, 2011

Registration No. 333-

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM S-4**  
**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**S&T BANCORP, INC.**

(Exact name of Registrant as specified in its charter)

**Pennsylvania**  
(State or other jurisdiction of  
incorporation or organization)

**6022**  
(Primary Standard Industrial  
Classification Code Number)

**25-1434426**  
(IRS Employer  
Identification No.)

**800 Philadelphia Street**

**Indiana, PA 15701**

**(800) 325-2265**

**(Address, including zip code, and telephone number, including area  
code, of registrant's principal executive offices)**

**Mark Kochvar**

**Chief Financial Officer**

**S&T Bancorp, Inc.**

**800 Philadelphia Street**

**Indiana, PA 15701**

**(724) 465-4826**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

*Copies to:*

**Paul Freshour, Esq.**

**Arnold & Porter LLP**

**555 12<sup>th</sup> St., N.W.**

**Washington, D.C. 20004**

**(202) 942-5000**

**David W. Swartz, Esq.**

**Stevens & Lee, P.C.**

**111 N. Sixth Street**

**Reading, PA 19603**

**(610) 478-2000**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after the effective date of this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

## Edgar Filing: S&T BANCORP INC - Form S-4

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box .

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Securities Act"), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  x  
 Non-accelerated filer (Do not check if a smaller reporting company)  Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross Border Third-Party Tender Offer)

### CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee(2)
Common Stock, par value \$2.50 per share	1,335,172	\$N/A	\$17,672,253.40	\$2,025.25

- (1) Based on the maximum number of shares of S&T Bancorp, Inc. that may be issued in connection with the proposed merger of Mainline Bancorp, Inc. with and into S&T, calculated by multiplying (i) 309,605 shares of Mainline common stock issued and outstanding, which is the maximum number of shares that may be exchanged for the shares being registered by this registration statement, by (ii) the maximum exchange ratio under the merger agreement of 4.3125 shares of S&T common stock per share of Mainline common stock.
- (2) Computed in accordance with Rule 457(f)(2), based on (i) the book value of Mainline computed as of September 30, 2011 of \$57.08 and (ii) 309,605 shares of Mainline common stock outstanding to be exchanged in the merger for common stock of the registrant. Solely for purposes of calculating the registration fee, the proposed maximum aggregate offering price is equal to the aggregate value of the maximum number of shares of Mainline common stock that may be exchanged in connection with the merger. Calculated pursuant to Section 6(b) of the Securities Act and Securities and Exchange Commission Fee Rate Advisory #3 for Fiscal Year 2012 at a rate equal to \$114.60 per \$1,000,000 of the proposed maximum aggregate offering price.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**



**Table of Contents**

**The information in this proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED DECEMBER 9, 2011**

**Prospectus of S&T Bancorp, Inc.**

**Proxy Statement of Mainline Bancorp, Inc.**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Shareholder:

On September 14, 2011, Mainline Bancorp, Inc., or Mainline, agreed to merge with S&T Bancorp, Inc., or S&T. We are sending you this proxy statement/prospectus to invite you to attend a special meeting of Mainline shareholders being held to vote on the merger and to ask you to vote at the special meeting in favor of adopting the agreement and plan of merger, or the merger agreement.

If the merger is completed, Mainline will merge with and into S&T, and you will be entitled to elect to receive your merger consideration in the form of S&T common stock, cash or a combination of both. Subject to the election and adjustment procedures described in this proxy statement/prospectus, you will be entitled to receive, in exchange for each share of Mainline common stock you hold at the time of the merger, consideration, without interest, with a value equal to either (i) a cash payment of \$69.00 or (ii) between 3.6316 and 4.3125 shares of S&T common stock. The precise number of shares will be based upon the average of the high and low sale prices for S&T common stock for the 10 trading day period ending five days prior to \_\_\_\_\_, 2012, which date is the business day prior to Mainline's special meeting and the deadline to submit your election form regarding your merger consideration, or the Election Deadline. The federal income tax consequences of the merger to you will depend on whether you receive cash, S&T common stock, or a combination of cash and S&T common stock in exchange for your shares of Mainline common stock.

Pursuant to the terms of the merger agreement, at least 60% of the total number of shares of Mainline common stock to be converted in the merger will be converted into stock consideration, and the remaining outstanding shares of Mainline common stock (excluding the shares of Mainline common stock to be cancelled) will be converted into cash consideration. As a result, if more Mainline shareholders make valid elections to receive either S&T common stock or cash than is available as merger consideration under the merger agreement, those Mainline shareholders electing the over-subscribed form of consideration may have the over-subscribed consideration proportionately reduced and substituted with consideration in the other form, despite their election.

As an example, if the average of the high and low sale prices of S&T common stock on The Nasdaq Global Select Market for the 10 trading days ending the five days before the Election Deadline is \$ \_\_\_\_\_, which was the average of the high and low sale prices of S&T common stock on The Nasdaq Global Select Market on December \_\_\_\_\_, 2011 (the most recent practicable date prior to the mailing of this proxy statement/prospectus), then each share of Mainline common stock would be converted into the right to receive either \$69.00 in cash or shares of S&T common stock, which would have a market value of \$ \_\_\_\_\_. As an additional example, if the average of the high and low sale prices of S&T common stock on The Nasdaq Global Select Market for the 10 trading days ending five days before the Election Deadline is \$17.15, which was the average of the high and low sale prices for S&T common stock for the 10 days ending on September 13, 2011, the last trading day prior to the announcement of the merger, then each share of Mainline common stock would be converted into the right to receive \$69.00 in cash or 4.0233 shares of S&T common stock, which have a market value of \$69.00. A chart showing the cash and stock merger consideration at various hypothetical averages of the high and low sale prices of S&T common stock is provided on page \_\_\_\_\_ of this proxy statement/prospectus.

The market prices of both S&T common stock and Mainline common stock will fluctuate before the completion of the merger. You should obtain current stock price quotations for S&T common stock and Mainline common stock. S&T common stock trades on The Nasdaq Global Select Market under the symbol **STBA** and Mainline common stock is quoted on the Over-The-Counter Bulletin Board, or OTCBB, under the symbol **MNPA**.

## Edgar Filing: S&T BANCORP INC - Form S-4

The special meeting of the shareholders of Mainline will be held on \_\_\_\_\_, 2012 at \_\_\_\_\_, local time, at \_\_\_\_\_. **Your vote is important.** The affirmative vote of a majority of the Mainline votes cast is required to adopt the merger agreement. A majority of the outstanding Mainline common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting.

Regardless of whether you plan to attend the special shareholders' meeting, please take the time to vote your shares in accordance with the instructions contained in this proxy statement/prospectus. **The Mainline board of directors recommends that Mainline shareholders vote FOR adoption of the merger agreement and FOR approval to adjourn the special meeting, if necessary, to solicit additional proxies.**

**This proxy statement/prospectus describes the special meeting, the merger, the documents related to the merger and other related matters. Please carefully read this entire proxy statement/prospectus, including Risk Factors beginning on page 17, for a discussion of the risks relating to the proposed merger. You also can obtain information about S&T from documents that it has filed with the Securities and Exchange Commission, or the SEC.**

Sincerely,

Dennis M. McGlynn  
Chairman of the Board  
Mainline Bancorp, Inc.

William J. Hoyne  
President and Chief Executive Officer  
Mainline Bancorp, Inc.

**The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the S&T common stock to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this proxy statement/prospectus is \_\_\_\_\_, 2011, and it is first being mailed or otherwise delivered to Mainline shareholders on or about \_\_\_\_\_, 2011.

**Table of Contents**

**MAINLINE BANCORP, INC.**

**325 Industrial Park Road**

**Ebensburg, PA 15931**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

Mainline Bancorp, Inc. will hold a special meeting of shareholders at \_\_\_\_\_ located at \_\_\_\_\_, at \_\_\_\_\_ local time, on \_\_\_\_\_, 2012 to consider and vote upon the following proposals:

to adopt the Agreement and Plan of Merger, dated September 14, 2011, by and between Mainline Bancorp, Inc. and S&T Bancorp, Inc., which provides for, among other things, the merger of Mainline Bancorp, Inc. with and into S&T Bancorp, Inc.;

to approve a proposal to authorize the board of directors to adjourn the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement; and

to transact any other business as may properly be brought before the special meeting or any adjournments or postponements of the special meeting.

The Mainline board of directors has fixed the close of business on \_\_\_\_\_, 2011 as the record date for the special meeting. Only Mainline shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting.

The affirmative vote of a majority of the votes cast by holders of shares of Mainline stock entitled to vote at the Mainline special meeting is required to adopt the merger agreement.

**Regardless of whether you plan to attend the special meeting, please submit your proxy with voting instructions. Please vote as soon as possible as failure to vote has the same effect as a vote AGAINST the merger. If you hold stock in your name as a shareholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope. If you hold your stock in \_\_\_\_\_ street name through a bank or broker, please direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.** This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of Mainline common stock who is present at the special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before its exercise at the special meeting in the manner described in the accompanying document.

**The Mainline board of directors has unanimously approved the merger agreement and recommends that Mainline shareholders vote FOR adoption of the merger agreement and FOR approval to adjourn the special meeting, if necessary, to solicit additional proxies.**

BY ORDER OF THE BOARD OF DIRECTORS

Timothy A. Bracken

Secretary

, 2011

**Ebensburg, Pennsylvania**

***YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY, REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD.***

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING</u>	1
<u>SUMMARY</u>	5
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF S&amp;T BANCORP, INC.</u>	14
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF MAINLINE BANCORP, INC.</u>	15
<u>COMPARATIVE PER SHARE DATA</u>	16
<u>RISK FACTORS</u>	17
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	21
<u>THE MAINLINE SPECIAL MEETING</u>	22
<u>PROPOSAL 1 THE MERGER</u>	24
<u>THE MERGER AGREEMENT</u>	42
<u>ACCOUNTING TREATMENT</u>	55
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u>	56
<u>PROPOSAL 2 AUTHORIZATION TO VOTE ON ADJOURNMENT OR OTHER MATTERS</u>	60
<u>INFORMATION ABOUT S&amp;T BANCORP, INC.</u>	61
<u>INFORMATION ABOUT MAINLINE BANCORP, INC.</u>	62
<u>COMPARISON OF SHAREHOLDERS' RIGHTS</u>	77
<u>MARKET PRICE AND DIVIDEND INFORMATION</u>	82
<u>LEGAL MATTERS</u>	84
<u>EXPERTS</u>	84
<u>MAINLINE 2012 ANNUAL MEETING</u>	84
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	84
ANNEXES	
<u>AGREEMENT AND PLAN OF MERGER</u>	A-1
<u>OPINION OF AUSTIN ASSOCIATES LLC</u>	B-1
<u>SUBCHAPTER D OF THE PENNSYLVANIA BUSINESS CORPORATION LAW</u>	C-1
<b>REFERENCES TO ADDITIONAL INFORMATION</b>	

This proxy statement/prospectus incorporates important business and financial information about S&T from documents that are not included in or delivered with this proxy statement/prospectus. You can obtain documents incorporated by reference in this proxy statement/prospectus, other than certain exhibits to those documents, by requesting them in writing or by telephone at the following addresses:

**S&T Bancorp, Inc.**

**800 Philadelphia Street**

**Indiana, PA 15701**

**(800) 325-2265**

**Attention: Investor Relations**

*You will not be charged for any of these documents that you request. Mainline shareholders requesting documents should do so by , 2012 in order to receive them before the special meeting.*

See also *Where You Can Find More Information* on page .

---

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING**

The questions and answers below highlight only selected procedural information from this proxy statement/prospectus. They do not contain all of the information that may be important to you. You should read carefully the entire proxy statement/prospectus and the additional documents incorporated by reference into this proxy statement/prospectus to fully understand the voting procedures for the special meeting.

**Q: What is the purpose of this proxy statement/prospectus?**

A: This proxy statement/prospectus serves as both a proxy statement of Mainline and a prospectus of S&T. As a proxy statement, it is being provided to you because the Mainline board of directors is soliciting your proxy for use at the Mainline special meeting of shareholders at which the Mainline shareholders will consider and vote on (i) adoption of the merger agreement between S&T and Mainline and (ii) authorization of the board of directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of adoption of the merger agreement or vote on other matters properly before the special meeting. As a prospectus, it is being provided to you because S&T is offering to exchange shares of its common stock for your shares of Mainline common stock upon completion of the merger.

**Q: What is the proposed transaction for which I am being asked to vote?**

A: You are being asked to vote upon proposals to (i) adopt the Agreement and Plan of Merger, dated September 14, 2011, by and between S&T and Mainline which provides for, among other things, the merger of Mainline with and into S&T and (ii) adjourn the special meeting, if necessary, to solicit additional proxies.

**Q: What do I need to do now?**

A: With respect to the special meeting after you have carefully read this proxy statement/prospectus and decided how you wish to vote your shares, please vote your shares promptly. You must complete, sign, date and mail your proxy card in the enclosed postage paid return envelope as soon as possible. Submitting your proxy card will ensure that your shares are represented and voted at the special meeting. With respect to the merger you should complete and return the election form to American Stock Transfer and Trust Company, the exchange agent for the merger, according to the instructions printed on the forms which will be mailed to you separately. Holders of record of Mainline shares of who hold such shares as nominees, trustees or in other representative capacities, or a Representative, may submit multiple election forms, provided that such Representative certifies that each such election form covers all the shares of Mainline common stock held by that Representative for a particular beneficial owner.

**Q: If my broker holds my shares in street name will my broker automatically vote my shares for me?**

A: No. Your broker will not be able to vote your shares on the merger agreement without instruction from you. You should instruct your broker to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker.

**Q: What if I fail to instruct my broker?**

A:

## Edgar Filing: S&T BANCORP INC - Form S-4

If you do not provide your broker with instructions, your broker generally will not be permitted to vote your shares on the merger proposal, which is referred to as a broker non-vote. For purposes of determining the number of votes cast with respect to the merger proposal, only those votes cast for or against the proposal are counted. Broker non-votes, if any are submitted by brokers or nominees in connection with the special meeting, will not be counted as votes for or against for purposes of determining the number of votes cast (thus having the effect of a vote against the proposal to adopt the merger agreement), but will be treated as present for quorum purposes.

- 1 -

**Table of Contents**

**Q: When and where is the Mainline special meeting of shareholders?**

A: The special meeting of Mainline shareholders will be held at \_\_\_\_\_ at \_\_\_\_\_, local time, on \_\_\_\_\_, 2012. All shareholders of Mainline as of the record date, or their duly appointed proxies, may attend the Mainline special meeting.

**Q: How do I vote?**

A: If you are a shareholder of record of Mainline as of \_\_\_\_\_, 2011, which is referred to as the Mainline record date, you may submit a proxy before the special meeting by completing, signing, dating and returning the enclosed proxy card in the enclosed postage-paid envelope.

You may also cast your vote in person at the special meeting.

**Q: How do I vote shares that I hold in the Mainline Employee Stock Ownership Plan, or ESOP?**

A: You will receive a proxy with respect to shares that have been allocated to your ESOP account. Mainline's ESOP provides that you may direct the ESOP trustee to vote any securities that have been allocated to your ESOP account as of the record date ONLY by following the separate voting instructions provided by the ESOP trustee. If you do not provide voting instructions with respect to shares allocated to your account, those shares shall not be voted. With respect to shares that have not yet been allocated to your ESOP account, the ESOP plan document provides that the ESOP trustee may vote those shares in its sole discretion.

**Q: When must I elect the type of merger consideration that I prefer to receive?**

A: If you wish to elect the type of merger consideration you receive in the merger, you should carefully review and follow the instructions set forth in the form of election, which is being separately mailed to Mainline shareholders following the mailing of this proxy statement/prospectus. You will need to sign, date and complete the election form and transmittal materials and return them to the exchange agent, American Stock Transfer and Trust Company, at the address given in the materials. The Election Deadline is \_\_\_\_\_, 2012, which is the business day prior to the special meeting. Because of the way the election and proration procedures work, even if you submit a properly completed and signed form of election, it is still possible that you may not receive exactly the type of consideration you have elected. If you do not submit a properly completed and signed form of election to the exchange agent by the Election Deadline, you will have no control over the type of merger consideration you may receive, and consequently, may receive only cash, only S&T common stock or a combination of cash and S&T common stock in the merger. Because of the way the election and proration procedures work, even if you submit a properly completed and signed form of election, it is still possible that you may not receive exactly the type of consideration you have elected. If you hold shares in \_\_\_\_\_ street name, you will have to follow your broker's instructions to make an election.

**Q: If I am a Mainline shareholder, should I send in my Mainline stock certificates with my proxy card?**

A: No. **PLEASE DO NOT SEND YOUR MAINLINE STOCK CERTIFICATES WITH YOUR PROXY CARD.** You should carefully review and follow the instructions set forth in the form of election, which is being mailed to Mainline shareholders separately following the mailing of this proxy statement/prospectus, regarding the surrender of your share certificates. You should then, prior to the Election Deadline, send your Mainline common stock certificates to the exchange agent, together with your completed, signed form of election.

**Q: Whom can I contact if I cannot locate my Mainline stock certificates?**

Edgar Filing: S&T BANCORP INC - Form S-4

A: If you are unable to locate your original Mainline stock certificate(s), you should contact Timothy A. Bracken, Secretary of Mainline, at (814) 472-5400.

- 2 -

## **Table of Contents**

### **Q: Why is my vote important?**

A: Because the merger cannot be completed without the affirmative vote of a majority of the votes cast by all shareholders entitled to vote to adopt the merger agreement, and because a majority of the outstanding Mainline common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting, every shareholder's vote is important. The Mainline board of directors recommends that you vote FOR adoption of the merger agreement.

### **Q: How does the Mainline board of directors recommend that I vote?**

A: The Mainline board of directors recommends that you vote FOR adoption of the agreement and plan of merger. The members of the board of directors and the executive officers of Mainline, and their affiliates, in the aggregate have the power to vote approximately 15.99% of the outstanding shares of Mainline common stock. Mainline currently expects that its directors and executive officers will vote their shares in favor of the proposals to be considered at the Mainline special meeting, although none of them has entered into any agreements obligating them to do so.

### **Q: Can I attend the Mainline special meeting and vote my shares in person?**

A: Yes. All shareholders, including shareholders of record and shareholders who hold their shares through nominees or any other holder of record, are invited to attend the special meeting. Holders of record of Mainline common stock can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

### **Q: Can I change my vote or revoke my proxy after I have delivered my proxy?**

A: Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to the Secretary of Mainline or (3) attending the special meeting in person, notifying the Secretary and voting by ballot at the special meeting. The Mainline Secretary's mailing address is Mainline Bancorp, Inc., 325 Industrial Park Road, Ebensburg, PA 15931-4117.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy, but the mere presence (without notifying the Secretary of Mainline) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

### **Q: When do you expect to complete the merger?**

A: We expect to complete the merger in the first quarter of 2012. However, we cannot assure you when or if the merger will occur. Among other things, we cannot complete the merger until we obtain the approval of Mainline shareholders at the special meeting, receive all necessary regulatory approvals and consents and satisfy the closing conditions described in the merger agreement.

### **Q: What are the material U.S. federal income tax consequences of the merger to me?**

## Edgar Filing: S&T BANCORP INC - Form S-4

- A: The merger has been structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. As a result of the merger's qualification as a reorganization, it is anticipated that Mainline shareholders will not recognize gain or loss for U.S. federal income tax purposes upon the exchange of shares of Mainline common stock for shares of S&T common stock, except with respect to cash received in lieu of fractional shares of S&T common stock and except for Mainline shareholders who exercise their appraisal rights with respect to the merger.

- 3 -

---

**Table of Contents**

Tax matters are very complicated, and the tax consequences of the merger to a particular shareholder will depend in part on such shareholder's circumstances. Accordingly, you should consult your tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax consequences. For more information, please see the section entitled *Material United States Federal Income Tax Consequences of the Merger* beginning on page of this proxy statement/prospectus.

**Q: Who will be the directors and executive officers of the company following the merger?**

A: Following the merger, the Board of Directors of S&T will remain the same. No members of the Mainline board of directors will be joining the board of directors of S&T; however, each member of Mainline's board of directors will be invited to serve on the Cambria/Blair County Advisory Board of S&T's banking subsidiary, S&T Bank. Additionally, the executive management team of S&T will remain unchanged.

**Q: What risks should I consider in deciding whether to vote in favor of the proposals?**

A: You should carefully review the section of this proxy statement/prospectus entitled *Risk Factors* beginning on page , which sets forth certain risks and uncertainties related to which the merger will be subject. Additional risk factors regarding the business and operations of S&T may be found in S&T's filings with the SEC. See *Where You Can Find More Information* on page of this proxy statement/prospectus.

**Q: Do I have rights to dissent from the merger?**

A: Yes. Under Pennsylvania law, Mainline shareholders have the right to dissent from the merger agreement and the merger and to receive a payment in cash for the fair value of their shares of Mainline common stock as determined by an appraisal process. This value may be more or less than the value you would receive in the merger if you do not dissent. If you dissent, you will receive a cash payment for the value of your shares that will be fully taxable to you. To perfect your dissenters' rights, you must follow precisely the required statutory procedures. See *The Merger Mainline Shareholders Have Dissenters' Rights in the Merger*, beginning at page and the information at *Annex C*.

**Q: How will the merger affect stock options for Mainline common stock?**

A: Upon consummation of the merger, each outstanding vested and unvested option to acquire a share of Mainline common stock will be cancelled in exchange for the right to receive, on the terms and conditions set forth in the merger agreement, an amount in cash equal to the excess, if any, of the per-share cash consideration of \$69.00 over the options exercise price per share.

**Q: Whom should I call with questions about the shareholders meeting or the merger?**

A: Mainline shareholders should call Timothy A. Bracken, Secretary of Mainline, at (814) 472-5400 with any questions about the merger and related transactions.

---

**Table of Contents**

**SUMMARY**

**This summary highlights information contained elsewhere in this proxy statement/prospectus and may not contain all of the information that is important to you. We urge you to carefully read the entire proxy statement/prospectus and the other documents to which we refer in order to fully understand the merger and the related transactions. See *Where You Can Find More Information* on page . Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.**

**Information about the Parties (page )**

***S&T Bancorp, Inc.***

S&T is a Pennsylvania corporation and a financial holding company with its headquarters located in Indiana, Pennsylvania and with assets of approximately \$4.1 billion at September 30, 2011.

S&T provides a full range of financial services through offices located within Allegheny, Armstrong, Blair, Butler, Cambria, Clarion, Clearfield, Indiana, Jefferson and Westmoreland counties of Pennsylvania. S&T provides full service retail and commercial banking products as well as cash management services, insurance, estate planning and administration, employee benefit, investment management and administration, corporate services and other fiduciary services. S&T's common stock trades on The Nasdaq Global Select Market under the symbol STBA.

The principal executive offices of S&T are located at S&T Bancorp, Inc., 800 Philadelphia Street, Indiana, PA, 15701, and its telephone number is (800) 325-2265.

***Mainline Bancorp, Inc.***

Mainline is a Pennsylvania corporation and a bank holding company headquartered in Ebensburg, Pennsylvania, and operates eight branches in Cambria and Blair counties. Mainline had approximately \$237.9 million in assets as of September 30, 2011.

Mainline's common stock is traded on the OTCBB under the symbol MNPA.

The principal executive offices of Mainline are located at 325 Industrial Park Road, Ebensburg, PA 15931-4117 and its telephone number is (814) 472-5400.

**The Merger (page )**

The terms and conditions of the merger are contained in the merger agreement, which is attached as *Annex A* to this proxy statement/prospectus and incorporated by reference herein. Please carefully read the merger agreement as it is the legal document that governs the merger.

**Mainline Will Merge into S&T**

We are proposing the merger of Mainline with and into S&T. As a result, S&T will continue as the surviving company.

**Mainline Will Hold Its Special Meeting on , 2012 (page )**

The special meeting will be held on , 2012, at , local time, at located at . At the special meeting, Mainline shareholders will be asked to:

1. adopt the merger agreement; and
2. approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement.



**Table of Contents**

*Record Date.* Only holders of record of Mainline common stock at the close of business on \_\_\_\_\_, 2011 will be entitled to vote at the special meeting. Each share of Mainline common stock is entitled to one vote. As of the record date of \_\_\_\_\_, 2011, there were \_\_\_\_\_ shares of Mainline common stock entitled to vote at the special meeting.

*Required Vote.* The affirmative vote of a majority of the Mainline votes cast is required to adopt the merger agreement and the affirmative vote of a majority of the shares of Mainline common stock present in person or by proxy is required to adjourn the special meeting, in certain circumstances, to solicit additional proxies. A majority of the outstanding Mainline common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting. As of the record date, there were \_\_\_\_\_ shares of common stock issued and outstanding.

As of the record date, directors and executive officers of Mainline and their affiliates had the right to vote \_\_\_\_\_ shares of Mainline common stock, or \_\_\_\_\_ % of the outstanding Mainline common stock entitled to be voted at the special meeting. The directors and executive officers have expressed their intent to vote for the proposals at the special meeting.

**Mainline Shareholders Will Receive Cash and/or Shares of S&T Common Stock in the Merger Depending on Their Election and Any Proration (page \_\_\_\_\_)**

You will have the right to elect to receive merger consideration, without interest, for each of your shares of Mainline common stock. You will have the opportunity to elect to receive in exchange for each share of Mainline common stock you own immediately prior to completion of the Merger either: (i) a cash payment of \$69.00 per share; (ii) between 3.6316 and 4.3125 shares of S&T common stock, with the precise number based upon the average of the high and low sale prices for S&T common stock for a 10 trading day period ending five days prior to the Election Deadline; or (iii) a combination of cash and shares of S&T common stock.

Your election will be subject to allocation and proration procedures in the merger agreement, which are intended to ensure that, in the aggregate, at least 60% of the Mainline shares of common stock outstanding will be exchanged for S&T common stock. S&T has the right to permit greater than 60% of the Mainline common shares to be exchanged for shares of S&T common stock. However, if more than 40% of Mainline shareholders elect to receive cash for their shares of Mainline common stock, then shareholders will receive shares of S&T common stock in accordance with the proration procedures and the other requirements set forth in the merger agreement.

Record holders may specify different elections with respect to different shares that you hold (if, for example, you own 100 shares of Mainline common stock, you could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares).

As an example, based on the average of the high and low sale prices of S&T common stock on The Nasdaq Global Select Market for the 10 trading days ending on December \_\_\_\_\_, 2011 (the most recent practicable date prior to the printing of this proxy statement/prospectus), for each share of Mainline common stock held, you would receive either \$69.00 in cash or \_\_\_\_\_ shares of S&T common stock (subject to possible proration), which would have a market value of \$ \_\_\_\_\_. S&T will compute the actual amount of cash and number of shares of S&T common stock that each Mainline shareholder will receive in the merger using the formula contained in the merger agreement. For a summary of the formula contained in the merger agreement, see *The Merger Agreement Consideration To Be Received in the Merger* beginning on page \_\_\_\_\_.

The following table provides examples of how the value of the merger consideration may change depending on the average high and low share price of S&T common stock. The range of prices set forth in the table has been

**Table of Contents**

included for representative purposes only. S&T cannot assure you as to what the market price of the S&T common stock to be issued in the merger will be at or following the time of the exchange. The table assumes that Mainline will not have a right to terminate the merger agreement under the circumstances described under the heading entitled *The Merger Agreement Termination of the Merger Agreement* on page .

Hypothetical 10-Day Average		Implied Value of S&T Stock Received in Exchange Per Share of Mainline Stock	
Price of S&T Common Stock	Exchange Ratio		
\$20.00	3.6316	\$	72.63
\$19.00	3.6316	\$	69.00
\$17.50	3.9429	\$	69.00
\$16.00	4.3125	\$	69.00
\$15.00	4.3125	\$	64.69

The examples above are illustrative only. The value of the merger consideration that you actually receive will be based on the actual average of the high and low sale prices of S&T common stock on The Nasdaq Global Select Market for the 10 trading days ending five days prior to the Election Deadline. The actual average of the high and low sale prices may be outside the range of the amounts set forth above, and as a result, the actual value of the merger consideration per share of S&T common stock may not be shown in the above table.

Because the tax consequences of receiving cash in the merger will differ from the tax consequences of receiving S&T common stock, you should carefully read *Material United States Federal Income Tax Consequences of the Merger* beginning on page .

**Regardless of Whether You Make an Election, You May Not Receive the Consideration You Elected (page )**

Pursuant to the terms of the merger agreement, a minimum of 60% of the total number of shares of Mainline common stock outstanding at the effective time of the merger will be converted into stock consideration, and the remaining outstanding shares of Mainline common stock (excluding the shares of Mainline common stock to be cancelled) not converted into shares of S&T common stock will be converted into cash consideration. S&T has the right to permit greater than 60% of the total number of shares of Mainline common stock to be converted in the form of shares of S&T common stock. As a result, if more Mainline shareholders make valid elections to receive either S&T common stock or cash than is available as merger consideration under the merger agreement, those Mainline shareholders electing the over-subscribed form of consideration may have the over-subscribed consideration proportionately reduced and substituted with consideration in the other form, despite their election.

**The Mainline Stock Options Will Be Cancelled in Exchange for a Cash Payment (page )**

Upon completion of the merger, each outstanding option to purchase shares of Mainline common stock, whether or not then exercisable, will be cancelled in exchange for the right to receive a lump sum cash payment equal to the difference between \$69.00 and the exercise price of such Mainline stock option. The lump sum cash payment will be subject to applicable tax withholding.

**In Order to Make a Valid Election, You Must Properly Complete and Deliver the Election Form (page )**

If you wish to elect the type of merger consideration you prefer to receive in the merger, you should carefully review and follow the instructions set forth in the form of election, which is being mailed to Mainline shareholders separately. You will need to sign, date and complete the election form and transmittal materials and return them to the exchange agent at the address given in the materials, together with the certificates representing shares of Mainline common stock prior to the Election Deadline. **You should NOT send your stock certificates with your proxy card.**

---

**Table of Contents**

The Election Deadline is 5:00 p.m. New York City time on \_\_\_\_\_, 2012, which is the business day prior to the Mainline special meeting held on \_\_\_\_\_, 2012. If you do not submit a properly completed and signed form of election to the exchange agent by the Election Deadline, you will have no control over the type of merger consideration you may receive, and, consequently, at the discretion of S&T, may receive only cash, only S&T common stock or a combination of cash and S&T common stock in the merger.

Once you have tendered your Mainline stock certificates to the exchange agent, you may not transfer your shares of Mainline common stock represented by those stock certificates until the merger is completed, unless you revoke your election by written notice to the exchange agent that is received prior to the Election Deadline. If the merger is not completed and the merger agreement is terminated, your stock certificates will be returned by the exchange agent.

**Your Expected Material United States Federal Income Tax Treatment as a Result of the Merger (page \_\_\_\_\_)**

We have structured the merger to be treated as a reorganization for United States federal income tax purposes. Each of S&T and Mainline has conditioned the consummation of the merger on its receipt of a legal opinion that this will be the case. Your federal income tax treatment will depend primarily on whether you exchange your Mainline common stock solely for S&T common stock (with cash received instead of a fractional share of S&T common stock), solely for cash, or for a combination of S&T common stock and cash.

Generally, you will not recognize gain or loss on the exchange of Mainline common stock solely for S&T common stock in the merger except with respect to the cash you receive in lieu of a fractional share interest in S&T common stock. If you receive only cash in exchange for your Mainline common stock in the merger, then you generally will recognize gain or loss equal to the difference between the amount of cash you receive and your adjusted tax basis in the shares of Mainline common stock you surrender. If you exchange your Mainline common stock for a combination of S&T common stock and cash, then you generally will recognize gain equal to the amount of cash you receive (not counting cash received in lieu of a fractional share interest in S&T common stock) or the amount of gain you realize, whichever is lower, but you will not recognize any loss. If you receive cash instead of a fractional share interest in S&T common stock, you will recognize gain or loss on your receipt of that cash.

Exceptions to these conclusions or other considerations may apply. Some of these are discussed beginning on page \_\_\_\_\_. Determining the actual tax consequences of the merger to you can be complicated. Those consequences will depend on your specific situation, on whether you elect to receive common stock, cash or a mix of common stock and cash, on whether your election is effective or must be changed under the proration provisions of the merger agreement, and on many variables which are not within our control. For further information, please refer to *Material United States Federal Income Tax Consequences of the Merger* on page \_\_\_\_\_. **You should also consult your own tax advisor for a full understanding of the merger's federal income tax and other tax consequences as they apply specifically to you.**

*The United States federal income tax consequences described above may not apply to all holders of Mainline common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.*

**Accounting Treatment of the Merger (page \_\_\_\_\_)**

The merger will be treated as a business combination using the acquisition method of accounting with S&T treated as the acquiror under generally accepted accounting principles, or GAAP.

**Table of Contents****Market Price and Dividend Information (page )**

S&T common stock is quoted on The Nasdaq Global Select Market under the symbol STBA. Mainline common stock is quoted on the OTCBB under the symbol MNPA.

The following table shows the closing sale prices of S&T common stock as reported on The Nasdaq Global Select Market on September 13, 2011, the last trading day before we announced the merger, and on , 2011, the last practicable trading day prior to mailing this proxy statement/prospectus. The table also presents the equivalent value of the merger consideration per share of Mainline common stock on September 13, 2011, and , 2011, calculated by multiplying the closing sale prices of S&T common stock on those dates by 3.6316 and 4.3125, respectively, which represent the minimum and maximum exchange ratios of shares of S&T common stock that Mainline shareholders electing to receive S&T common stock would receive in the merger for each share of Mainline common stock, assuming no proration. The actual exchange ratio will be determined by dividing \$69.00 by the average high and low sales price of S&T's common stock during the 10 trading day period ending five days prior to the Election Deadline.

	S&T Common Stock	Mainline Common Stock	Minimum Equivalent Per Share Value	Maximum Equivalent Per Share Value
Prior to execution of the merger agreement	\$ 16.93(1)	\$ 23.50(2)	\$ 61.48	\$ 73.01
At , 2011				

(1) Closing price as of September 13, 2011.

(2) Closing price as of September 12, 2011 (no shares of Mainline common stock were traded on September 13, 2011)

The market price of S&T common stock will fluctuate prior to the merger. You should obtain current stock price quotations for the shares.

Upon completion of the merger, if all of the outstanding Mainline shares of common stock are converted into shares of S&T common stock, the Mainline shareholders will own approximately 4.53% of the outstanding shares of S&T common stock.

**Austin Associates, LLC Has Provided an Opinion to the Mainline Board of Directors Regarding the Fairness of the Merger Consideration (page )**

Mainline's financial advisor, Austin Associates, LLC, or Austin Associates, has conducted financial analyses and delivered an opinion to Mainline's board of directors that, as of September 13, 2011, the consideration to be received by Mainline shareholders was fair from a financial point of view to Mainline shareholders.

The full text of Austin Associates' opinion is attached as *Annex B* to this proxy statement/prospectus. Mainline shareholders should read that opinion and the summary description of Austin Associate's opinion contained in this proxy statement/prospectus in their entirety. The opinion of Austin Associates does not reflect any developments that may have occurred or may occur after the date of its opinion and prior to the completion of the merger. Mainline does not expect that it will request an updated opinion from Austin Associates.

Mainline paid Austin Associates a cash fee of \$20,000 upon engagement and \$30,000 concurrently with the rendering of the fairness opinion. Additionally, Mainline has agreed to pay to Austin Associates at the time of completion of the merger a cash fee equal to 1% of the aggregate consideration paid to Mainline shareholders.

---

**Table of Contents**

**Board of Directors and Executive Officers of S&T after the Merger (page )**

The board of directors and management team of S&T will remain unchanged following the completion of the merger. Each member of the Mainline board of directors will be asked to join S&T's Cambria/Blair County Advisory Board.

**The Mainline Board of Directors Recommends That Mainline Shareholders Vote FOR Adoption of the Agreement and Plan of Merger (page )**

The Mainline board of directors believes that the merger is in the best interests of Mainline and its shareholders and has unanimously approved the merger and the merger agreement. The Mainline board of directors recommends that Mainline shareholders vote FOR adoption of the agreement and plan of merger. The Mainline board also recommends FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

**Mainline's Directors and Executive Officers Have Financial Interests in the Merger That May Differ from Your Interests (page )**

In considering the information contained in this proxy statement/prospectus, you should be aware that Mainline's executive officers and directors have financial interests in the merger that may be different from, or in addition to, the interests of Mainline shareholders. These additional interests of Mainline's executive officers and directors may create potential conflicts of interest and cause some of these persons to view the proposed transaction differently than you may view it as a shareholder.

Mainline's board of directors was aware of these interests and took them into account in its decision to approve the agreement and plan of merger. For information concerning these interests, please see the discussion under the caption *The Merger Mainline's Directors and Executive Officers Have Financial Interests in the Merger* on page .

**Holders of Mainline Common Stock Have Dissenters' Rights (page )**

If you are a Mainline shareholder, you have the right under Pennsylvania law to dissent from the merger agreement and the merger, and to demand and receive cash for the fair value of your shares of Mainline common stock. For a complete description of the dissenters' rights of Mainline shareholders, please see the discussion on the caption *Mainline Shareholders Have Dissenters' Rights in the Merger*. In order to assert dissenters' rights, you must:

file a written notice of intent to dissent with Mainline prior to the shareholder vote at the special meeting of shareholders;

make no change in your beneficial ownership of Mainline common stock after you give notice of your intention to demand fair value of your shares of Mainline common stock; and

not vote to adopt the merger agreement at the special meeting.

file a written demand for payment and deposit any certificates representing the Mainline shares for which dissenters' rights are being asserted as requested by the notice that will be sent by Mainline or S&T after the completion of the merger; and

comply with certain other statutory procedures set forth in Pennsylvania law.

---

**Table of Contents**

*If you are a Mainline shareholder and you sign and return your proxy without voting instructions, we will vote your proxy in favor of the transaction and you will lose any dissenters' rights that you may have. A copy of the relevant provisions of Pennsylvania law related to dissenters' rights are attached to this proxy statement/prospectus as Annex C.*

**The Rights of Mainline Shareholders Who Receive the Stock Consideration Will Be Governed by Pennsylvania Law and the S&T Articles of Incorporation and By-laws after the Merger (page )**

The rights of Mainline shareholders will change as a result of the merger due to differences in S&T's and Mainline's governing documents. A description of shareholder rights under each of the S&T and Mainline governing documents, and the material differences between them, is included in the section entitled *Comparison of Shareholders' Rights* found on page .

**Conditions That Must Be Satisfied or Waived for the Merger to Occur (page )**

Currently, we expect to complete the merger in the first quarter of 2012. As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval by the requisite vote of the Mainline shareholders; the receipt of all required regulatory approvals from the Federal Reserve Board, or the Federal Reserve and the Pennsylvania Department of Banking, and the termination of the formal agreement between Mainline's banking subsidiary, Mainline National Bank, or the Bank, and the Office of the Comptroller of the Currency, or OCC, all without a condition or a restriction that S&T reasonably determines would have a material adverse effect on S&T or would be unduly burdensome; the right to demand appraisal rights under the Pennsylvania Business Corporation Law having expired or been unavailable with respect to at least 90% of the outstanding Mainline common shares, and the receipt of a legal opinion from S&T regarding the tax treatment of the merger.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

**No Solicitation of Other Offers**

In addition to terminating any ongoing discussions with third parties regarding an alternative acquisition proposal, Mainline has agreed that it, its subsidiaries, its directors and officers and those of its subsidiaries will not, and Mainline will use reasonable best efforts to cause its and each of its subsidiaries' employees and agents not to, between the date of the merger agreement and the closing of the merger:

initiate, solicit or encourage, directly or indirectly, any inquiries or the making or implementation of any alternative acquisition proposal;

furnish confidential data or access to any person that has made an alternative acquisition proposal; or

engage in any discussions or negotiations concerning an alternative acquisition proposal.

The merger agreement does not, however, prohibit Mainline taking such actions if its board of directors determines, in good faith, that such discussions of an alternative acquisition proposal are required for Mainline's board of directors to fulfill its fiduciary duties.

For further discussion of the restrictions on solicitation of acquisition proposals from third parties, see *The Merger Agreement Agreement Not to Solicit Other Offers* beginning on page .

**Table of Contents**

**Termination of the Merger Agreement (page )**

We may mutually agree to terminate the merger agreement before completing the merger, even after shareholder approval. In addition, either of us may decide to terminate the merger agreement, even after shareholder approval, if a governmental entity issues a final order that is not appealable prohibiting the merger, if a bank regulator which must grant a regulatory approval as a condition to the merger denies such approval of the merger and such denial has become final and is not appealable, or if the other party breaches the merger agreement in a way that would entitle the party seeking to terminate the agreement not to consummate the merger, subject to the right of the breaching party to cure the breach within 30 days following written notice. Either of us may terminate the merger agreement if the merger has not been completed by June 29, 2012, unless the reason the merger has not been completed by that date is a breach of the merger agreement by the company seeking to terminate the merger agreement.

S&T may terminate the merger agreement if the Mainline board of directors (1) fails to recommend that Mainline shareholders adopt the agreement and plan of merger, (2) withdraws or modifies its recommendation (or proposes to do so) in a manner adverse to S&T, or (3) recommends a competing merger proposal in a manner adverse to S&T.

Mainline may terminate the merger agreement if the Mainline board of directors determines, by majority votes, at any time during the five business day period beginning with the later of (i) the date on which the last required approval of a governmental authority is obtained with respect to the merger without regard to any requisite waiting period or (ii) , 2012, the date of the Mainline special meeting, or the Determination Date, if both of the following conditions are satisfied: (1) if the average daily closing price of S&T common stock for the 15 consecutive trading days prior to the Determination Date declines by more than 20% from \$16.93, which was the closing price for S&T common stock on the last trading day prior to execution of the merger agreement and (2) S&T's common stock underperforms the Nasdaq Bank Index by more than 20% based on difference of the closing price of S&T's common stock on the date prior to the execution of the merger agreement and the Determination Date; unless S&T exercises its option to increase the number of S&T common shares to be received by Mainline shareholders such that the implied value of the merger would be equivalent to the minimum implied value that would have had to exist for the above price-based termination right not to have been triggered.

**Termination Fee (page )**

Mainline will pay S&T a termination fee of \$876,000 in the event that the merger agreement is terminated:

by S&T, if the Mainline board of directors fails to recommend that Mainline shareholders adopt the agreement and plan of merger, withdraws or modifies its recommendation in a manner adverse to S&T, or recommends an alternative business combination proposal; or

by S&T or Mainline, if the governmental or regulatory approvals have been denied by final nonappealable action or the application has been permanently withdrawn at the invitation, request or suggestion of a governmental or regulatory authority; the Mainline common shareholders fail to approve the merger agreement at the special meeting; or any of the closing conditions to the merger have not been satisfied. However, if S&T or Mainline terminate the merger agreement because Mainline's shareholders have failed to adopt the merger agreement at the Mainline special meeting, Mainline is only obligated to pay the termination fee if the failure to approve the merger is due to the Mainline board of directors not recommending the merger or withdrawing or materially modifying its recommendation, or recommending a competing merger proposal in a manner adverse to S&T.

**Table of Contents**

**Regulatory Approvals Required for the Merger (page )**

The merger is subject to certain regulatory approvals and we must receive approval from the Federal Reserve and the Pennsylvania Department of Banking. S&T has filed the required applications and notices. The merger will not proceed in the absence of regulatory approvals. Additionally, Mainline must use its reasonable best efforts to facilitate the repurchase or redemption by S&T or one of its subsidiaries of all outstanding preferred stock issued to the United States Department of the Treasury, or the Department of Treasury, in connection with Mainline's participation in the Troubled Asset Relief Program. Although S&T does not know of any reason why it would not obtain regulatory approvals in a timely manner, S&T cannot be certain when such approvals will be obtained or if they will be obtained.

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF S&T BANCORP, INC.**

Set forth below are highlights from S&T's consolidated financial data as of and for the years ended December 31, 2006 through 2010 and as of and for the nine months ended September 30, 2011 and 2010. The results of operations for the nine months ended September 30, 2011 and 2010 are not necessarily indicative of the results of operations for the full year or any other interim period. S&T management prepared the unaudited information on the same basis as it prepared S&T's audited consolidated financial statements. In the opinion of S&T management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with S&T's consolidated financial statements and related notes included in S&T's Annual Report on Form 10-K for the year ended December 31, 2010, and S&T's Quarterly Reports on Form 10-Q for the quarters ended September 30, 2011, June 30, 2011 and March 31, 2011, which are incorporated by reference in this proxy statement/prospectus and from which this information is derived. See *Where You Can Find More Information* on page .

**For the Nine Months Ended  
September 30,**

	(unaudited)		For the Years Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006
	<i>(dollars in thousands except per share data)</i>						
<b>Balance Sheet Data:</b>							
Assets	\$ 4,091,970	\$ 4,098,108	\$ 4,114,339	\$ 4,170,475	\$ 4,438,368	\$ 3,407,621	\$ 3,338,543
Portfolio loans, net of allowance for loan losses	3,080,650	3,310,632	3,304,203	3,338,754	3,525,290	2,761,695	2,632,245
Investment securities	340,123	277,718	288,025	354,860	452,713	358,822	432,045
Deposits	3,271,431	3,304,570	3,317,524	3,304,541	3,228,416	2,621,825	2,565,306
Borrowings	165,347	168,657	160,637	272,748	692,844	406,279	384,962
Shareholders' equity	603,674	574,507	578,665	553,318	448,694	337,560	339,051
<b>Income Statement Data:</b>							
Net interest income	103,279	109,512	145,846	145,982	143,947	116,438	113,118
Provision for loan losses	13,272	21,835	29,511	72,354	12,878	5,812	9,380
Noninterest income, including security gains and losses	32,483	35,208	47,210	38,580	37,452	40,605	40,390
Noninterest expense	77,236	78,615	105,633	108,126	83,801	73,460	69,279
Income before taxes	45,254	44,270	57,912	4,082	84,720	77,771	74,849
Net income	35,008	33,190	43,480	7,951	60,203	56,144	53,336
Net income available to common shareholders	30,336	28,542	37,279	2,038	60,203	56,144	53,336
<b>Per Common Share:</b>							
Basic earnings	\$ 1.08	\$ 1.03	\$ 1.34	\$ 0.07	\$ 2.30	\$ 2.27	\$ 2.07
Diluted earnings	1.08	1.03	1.34	0.07	2.28	2.26	2.06
Dividends declared	0.45	0.45	0.60	0.61	1.24	1.21	1.17
Book value	17.68	16.83	16.91	16.14	16.24	13.75	13.37
<b>Earnings Performance Ratios <sup>(1)</sup>:</b>							
Common return on average assets	1.00%	0.92%	0.90%	0.05%	1.52%	1.68%	1.64%
Common return on average shareholders equity	6.90%	6.78%	6.58%	0.37%	14.77%	16.97%	15.37%
Net interest margin (FTE basis) <sup>(2)</sup>	3.84%	4.05%	4.05%	3.89%	4.07%	3.87%	3.86%
<b>Asset Quality Ratios <sup>(1)</sup>:</b>							
Net loan charge offs to average loans	0.54%	0.99%	1.11%	1.60%	0.31%	0.17%	0.49%
Non-performing loans to total loans	1.89%	2.23%	1.90%	2.67%	1.19%	0.60%	0.74%
Non-performing assets to total loans + OREO	2.08%	2.45%	2.07%	2.80%	1.21%	0.62%	0.76%
Allowance for loan losses to non-performing loans	87%	75%	80%	66%	101%	204%	167%
Allowance for loan losses to total loans	1.64%	1.67%	1.53%	1.75%	1.20%	1.23%	1.25%
<b>Capital Ratios:</b>							
Leverage ratio	11.80%	10.92%	11.07%	10.26%	7.31%	8.57%	8.84%
Total risk-based capital ratio	18.51%	16.35%	16.68%	15.43%	11.82%	11.64%	11.93%

## Edgar Filing: S&T BANCORP INC - Form S-4

- (1) Returns, net interest margin and charge-off data for the nine-month periods ended September 30, 2011 and 2010 are annualized.
- (2) Fully-Taxable equivalent basis is a non-GAAP financial measure consistent with industry practice. The adjustment to an FTE basis has no impact on net income. For a reconciliation of this non-GAAP measure to GAAP, see Management's Discussion and Analysis of Financial Condition and Results of Operation - Net Interest Income in S&T's Annual Report on Form 10-K for the year ended December 31, 2010, incorporated by reference to this proxy statement/prospectus.

- 14 -

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF MAINLINE BANCORP, INC.**

The following table presents Mainline's selected consolidated financial data. The balance sheet and income statement data for the years ended December 31, 2010, 2009, 2008, 2007 and 2006 are derived from Mainline's audited financial statements for the periods then ended. The results of operations for the nine months ended September 30, 2011 and 2010 are not necessarily indicative of the results of operations for the full year or any other interim period. Mainline management prepared the unaudited information on the same basis as it prepared Mainline's audited consolidated financial statements. In the opinion of Mainline management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates.

(Unaudited)

	For the Nine Months Ended September 30,		For the Years Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006
	<i>(dollars in thousands except per share data)</i>						
<b>Balance Sheet Data:</b>							
Assets	\$ 237,877	\$ 252,585	\$ 247,987	\$ 255,239	\$ 233,470	\$ 227,249	\$ 223,605
Portfolio loans, net of allowance for loan losses	137,857	139,553	139,580	139,139	138,544	134,870	127,973
Investment securities	83,110	98,595	92,391	59,554	80,444	76,264	78,865
Deposits	207,601	213,022	209,946	216,337	182,662	177,832	169,891
Borrowings	6,585	17,374	16,060	16,335	32,135	28,035	33,408
Shareholders' equity	22,242	21,983	20,373	21,004	16,860	19,349	18,474
<b>Income Statement Data:</b>							
Net interest income	5,441	5,558	7,480	7,867	7,199	5,968	5,629
Provision for loan losses	392	304	385	662	296	200	(150)
Noninterest income, including security gains and losses	547	(938)	(884)	113	1,096	1,409	1,247
Noninterest expense	5,440	5,347	7,500	7,097	6,829	6,461	6,204
Income before taxes	156	(1,031)	(1,289)	221	1,170	716	822
Net income	218	(612)	(704)	303	908	653	788
Net income available to common shareholders	3	(824)	(988)	303	908	653	788
<b>Per Common Share:</b>							
Basic earnings	\$ 0.01	(\$ 2.66)	(\$ 3.19)	\$ 0.98	\$ 2.94	\$ 2.12	\$ 2.56
Diluted earnings	0.01	(2.66)	(3.19)	0.98	2.94	2.12	2.55
Dividends declared	0.00	0.00	0.00	0.34	0.58	0.73	1.24
Book value	57.08	56.37	51.14	53.31	54.49	62.49	59.95
<b>Earnings Performance Ratios <sup>(1)</sup>:</b>							
Return on average assets	0.09%	-0.15%	-0.28%	0.12%	0.39%	0.29%	0.36%
Return on average shareholders' equity	1.02%	-1.74%	-3.31%	1.75%	4.94%	3.49%	4.45%
Net interest margin (FTE basis) <sup>(2)</sup>	3.22%	3.13%	3.17%	3.34%	3.24%	2.94%	2.87%
<b>Asset Quality Ratios <sup>(1)</sup>:</b>							
Net loan charge offs to average loans	0.25%	0.04%	0.03%	0.10%	0.07%	0.91%	0.02%
Non-performing loans to total loans	1.37%	1.31%	1.56%	0.75%	0.51%	1.18%	1.36%
Non-performing assets to total loans + OREO	1.74%	1.86%	1.83%	1.33%	0.51%	1.18%	1.36%
Allowance for loan losses to non-performing loans	105.4%	101.8%	89.5%	153.8%	153.7%	55.2%	105.3%
Allowance for loan losses to total loans	1.44%	1.34%	1.39%	1.16%	0.79%	0.65%	1.44%
<b>Capital Ratios:</b>							
Leverage ratio	9.2%	8.9%	9.0%	9.5%	8.6%	8.6%	8.4%
Total risk-based capital ratio	13.4%	13.4%	13.1%	12.8%	13.5%	13.8%	14.9%

- (1) Returns, net interest margin and charge-off data for the nine-month periods ended September 30, 2011 and 2010 are annualized
- (2) FTE basis is a non-GAAP financial measure consistent with industry practice. The adjustment to an FTE basis has no impact on net income.

**Table of Contents****COMPARATIVE PER SHARE DATA**

The following table sets forth certain historical and pro forma combined per share data of each of S&T and Mainline. The pro forma data gives effect to the merger and is derived from the S&T unaudited pro forma combined per share data included in this proxy statement/prospectus.

This data should be read together with the selected historical financial data of S&T and Mainline included in this proxy statement/prospectus. This data should also be read together with S&T's separate historical financial statements and notes thereto, incorporated by reference in this proxy statement/prospectus, and with Mainline's selected financial data, included in this proxy statement/prospectus. See *Where You Can Find More Information* on page of this proxy statement/prospectus. The per share data is not necessarily indicative of the operating results that S&T would have achieved had it completed the merger as of the beginning of the periods presented and should not be considered as representative of future operations. The pro forma combined information set forth below was determined based upon the issuance of an aggregate of 763,767 shares by S&T. This number of shares represents the assumed conversion of 60% of the outstanding shares of Mainline common stock to shares of S&T common stock.

	<b>For the Nine Months Ended September 30, 2011</b>	<b>For the Year Ended December 31, 2010</b>
<b>Per Share Data available to common shareholders</b>		
<b>Basic net income per share</b>		
S&T historical	\$ 1.08	\$ 1.34
Mainline historical	0.01	(3.19)
Pro forma combined	1.09	1.31
<b>Diluted net income per share</b>		
S&T historical	\$ 1.08	\$ 1.34
Mainline historical	0.01	(3.19)
Pro forma combined	1.09	1.31
<b>Cash dividends declared per share <sup>(1)</sup></b>		
S&T historical	\$ 0.45	\$ 0.60
Mainline historical	0.00	0.00
Pro forma combined	0.45	0.60
<b>Book value per share</b>		
S&T historical	\$ 17.68	\$ 16.91
Mainline historical	57.08	51.14
Pro forma combined	17.57	16.81

(1) S&T has historically paid quarterly dividends, and S&T expects to continue to declare dividends in accordance with historical practice.

---

**Table of Contents**

**RISK FACTORS**

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters under the caption *Cautionary Statement Regarding Forward-Looking Statements*, the matters discussed under Section 1A,

*Risk Factors*, included in the Annual Report on Form 10-K filed by S&T for the year ended December 31, 2010 and the Quarterly Reports on Form 10-Q filed by S&T during fiscal 2011, Mainline shareholders should carefully consider the following factors in deciding whether to vote for adoption of the agreement and plan of merger.

***Because the market price of S&T common stock will fluctuate, Mainline shareholders cannot be sure of the value of the stock portion of the merger consideration they may receive.***

Upon completion of the merger, each share of Mainline common stock will be converted into the right to receive merger consideration consisting of shares of S&T common stock and/or cash pursuant to the terms of the merger agreement. The value of the stock portion of the merger consideration to be received by Mainline shareholders will be based upon the average of the high and low sale prices for S&T common stock on the Nasdaq Global Select Market for a 10 trading day period ending five days prior to the Election Deadline. This average price may vary from the average of the high and low sale prices of S&T common stock on the date we announced the merger, on the date this proxy statement/prospectus was mailed to Mainline shareholders and on the date of the special meeting of the Mainline shareholders. Any change in the market price of S&T common stock prior to the Mainline shareholder meeting may affect the value of the stock portion of the merger consideration that Mainline shareholders will receive upon completion of the merger. Mainline is not permitted to resolicit the vote of Mainline shareholders solely because of changes in the market price of either company's stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Many of these factors are beyond our control. You should obtain current market quotations for shares of S&T common stock.

***The market price of S&T common stock after the merger may be affected by factors different from those currently affecting the shares of S&T.***

The businesses of S&T and Mainline differ and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of S&T. For a discussion of the businesses of S&T, see the documents incorporated by reference in this proxy statement/prospectus and referred to under *Where You Can Find More Information*.

***Mainline shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.***

Mainline's shareholders currently have the right to vote in the election of the board of directors of Mainline and on other matters affecting Mainline. When the merger occurs, each Mainline shareholder that receives shares of S&T common stock will become a shareholder of S&T with a percentage ownership of the combined organization that is much smaller than the shareholder's percentage ownership of Mainline. Upon completion of the merger, if 100% of the outstanding Mainline shares of common stock are converted into shares of S&T common stock, the Mainline shareholders will own approximately 4.53% of the outstanding shares of S&T common stock.

Because of this, Mainline's shareholders will have less influence on the management and policies of S&T than they now have on the management and policies of Mainline.

***The merger agreement limits Mainline's ability to pursue alternatives to the merger.***

The merger agreement contains no shop provisions that, subject to specified exceptions, limit Mainline's ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of

---

**Table of Contents**

Mainline. In addition, a termination fee is payable by Mainline under certain circumstances, generally involving the consummation of an alternative transaction. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Mainline from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share value than that proposed in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire Mainline than it might otherwise have proposed to pay.

***Mainline shareholders may receive aggregate consideration in a form different from what they elect.***

While each Mainline shareholder may elect to receive all cash, all S&T common stock or a mix of cash and stock in the merger, the pools of cash and S&T common stock available for all Mainline shareholders will be subject to the allocation and proration provisions of the merger agreement, and at least 60% of the Mainline shares will be exchanged for shares of S&T common stock. Additionally, the amount of cash that may be paid to redeem Mainline's Troubled Asset Relief Program, or TARP, preferred stock could result in an adjustment, pursuant to the terms of the merger agreement, in the allocation of the cash and stock merger consideration. As a result, you might receive a portion of your consideration in the form you did not elect.

***If you are a Mainline shareholder and you tender shares of Mainline common stock to make an election, you will not be able to sell those shares, unless you revoke your election prior to the Election Deadline.***

If you are a registered Mainline shareholder and want to make a valid cash or stock election, you will have to deliver your stock certificates, and a properly completed and signed form of election to the exchange agent. For further details on the determination of the Election Deadline, see *The Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration Form of Election*. The Election Deadline may be significantly in advance of the closing of the merger. You will not be able to sell any shares of Mainline common stock that you have delivered as part of your election unless you revoke your election before the deadline by providing written notice to the exchange agent. If you do not revoke your election, you will not be able to liquidate your investment in Mainline common stock for any reason until you receive cash and/or S&T common stock in the merger or the merger agreement is terminated and the certificates are returned to you. In the time between the Election Deadline and the closing of the merger, the trading price of S&T common stock may decrease, and you might otherwise want to sell your shares of Mainline common stock to gain access to cash, make other investments, or reduce the potential for a decrease in the value of your investment. The date that you will receive your merger consideration depends on the completion date of the merger, which is uncertain. The completion date of the merger might be later than expected due to unforeseen events, such as delays in obtaining regulatory approvals.

***The merger is subject to the receipt of consents and approvals from governmental and regulatory entities that may impose conditions that could have an adverse effect on S&T.***

Before the merger may be completed, various waivers, approvals or consents must be obtained from the Federal Reserve and the Pennsylvania Department of Banking. These governmental entities may impose conditions on the completion of the merger or require changes to the terms of the merger. Such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on, or limiting the revenues of, S&T following the merger, any of which might have an adverse effect on S&T following the merger. S&T is not obligated to complete the merger if the regulatory approvals received in connection with the completion of the merger include any condition or restrictions that S&T reasonably determines would have a material adverse effect on S&T or would be unduly burdensome, but S&T could choose to waive this condition. In addition, the Bank's formal agreement with the OCC must be terminated unless S&T waives this condition. S&T and Mainline will also seek approval from the Department of Treasury and the Federal Reserve for the repurchase of Mainline's TARP preferred stock, and there is no assurance that such approval will be granted.

---

**Table of Contents**

***Mainline executive officers and directors have financial interests in the merger that may be different from, or in addition to, the interests of Mainline shareholders.***

Mainline's officers and directors have financial interests in the merger that may be different from, or in addition to, the interests of Mainline shareholders. For example, certain executive officers and employees of Mainline may receive severance payments upon the change of control of Mainline or payments with respect to the cancellation of outstanding equity awards.

Mainline's board of directors were aware of these interests and took them into account in its decision to approve and adopt the agreement and plan of merger. For information concerning these interests, please see the discussion under the caption *The Merger Mainline's Directors and Executive Officers Have Financial Interests in the Merger*.

***The shares of S&T common stock to be received by Mainline shareholders receiving the stock consideration as a result of the merger will have different rights from the shares of Mainline common stock.***

Upon completion of the merger, Mainline shareholders who receive the stock consideration will become S&T shareholders. Their rights as shareholders will be governed by Pennsylvania corporate law and the articles of incorporation and by-laws of S&T. The rights associated with Mainline common stock are different from the rights associated with S&T common stock. See the section of this proxy statement/prospectus titled *Comparison of Shareholders' Rights* beginning on page for a discussion of the different rights associated with S&T common stock.

***If the merger is not consummated by June 29, 2012, either S&T or Mainline may choose not to proceed with the merger.***

Either S&T or Mainline may terminate the merger agreement if the merger has not been completed by June 29, 2012, unless the failure of the merger to be completed by such date has resulted from the failure of the party seeking to terminate the merger agreement to perform its obligations.

***The fairness opinion obtained by Mainline from its financial advisor will not reflect changes in circumstances subsequent to the date of the merger agreement.***

Mainline has obtained a fairness opinion dated as of September 13, 2011, from its financial advisor, Austin Associates. Mainline has not obtained and will not obtain an updated opinion as of the date of this proxy statement/prospectus from Austin Associates. Changes in the operations and prospects of S&T or Mainline, general market and economic conditions and other factors that may be beyond the control of S&T and Mainline, and on which the fairness opinion was based, may alter the value of S&T or Mainline or the price of shares of S&T common stock or Mainline common stock by the time the merger is completed. The opinion does not speak to the time the merger will be completed or to any other date other than the date of such opinion. As a result, the opinion will not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed. For a description of the opinion that Mainline received from Austin Associates, please see *The Merger Opinion of Mainline's Financial Advisor* beginning on page of this proxy statement/prospectus.

***We may fail to realize all of the anticipated benefits of the merger.***

The success of the merger will depend, in part, on our ability to realize the anticipated benefits and cost savings from combining the businesses of S&T and Mainline. However, to realize these anticipated benefits and cost savings, we must successfully combine the businesses of S&T and Mainline. If we are not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully or at all, or may take longer to realize than expected.

S&T and Mainline have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that

---

**Table of Contents**

adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on S&T and/or Mainline during the transition period.

Another expected benefit from the merger is an expected increase in the revenues of the combined company from anticipated sales of S&T's wide variety of financial products, and from increased lending out of S&T's substantially larger capital base, to Mainline's existing customers and to new customers in Mainline's market area who may be attracted by the combined company's enhanced offerings. An inability to successfully market S&T's products to Mainline's customer base could cause the earnings of the combined company to be less than anticipated.

***If the merger is not completed, S&T and Mainline will have incurred substantial expenses without realizing the expected benefits of the merger.***

S&T and Mainline have incurred substantial expenses in connection with the merger described in this proxy statement/prospectus. The completion of the merger depends on the satisfaction of specified conditions and the receipt of regulatory approvals. If the merger is not completed, these expenses would have to be recognized currently and not capitalized and S&T and Mainline would not have realized the expected benefits of the merger.

***Mainline will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Mainline and consequently on S&T. These uncertainties may impair Mainline's ability to attract, retain and motivate key personnel until the merger is consummated, and could cause customers and others that deal with Mainline to seek to change existing business relationships with Mainline. Retention of certain employees may be challenging during the pendency of the merger, as certain employees may experience uncertainty about their future roles with S&T. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with S&T, S&T's business following the merger could be harmed. In addition, the merger agreement restricts Mainline from making certain acquisitions and taking other specified actions until the merger occurs without the consent of S&T. These restrictions may prevent Mainline from pursuing attractive business opportunities that may arise prior to the completion of the merger. Please see the section entitled *The Merger Agreement Covenants and Agreements* beginning on page of this proxy statement/prospectus for a description of the restrictive covenants to which Mainline is subject under the merger agreement.

***Future governmental regulation and legislation, including the Dodd-Frank Act, could limit S&T's future growth.***

S&T and its subsidiaries are subject to extensive state and federal regulation, supervision and legislation that govern almost all aspects of the operations of S&T. These laws may change from time to time and are primarily intended for the protection of consumers, depositors and the deposit insurance fund. Any changes to these laws may negatively affect S&T's ability to expand its services and to increase the value of its business. Additionally, a number of provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, remain to be implemented through the rulemaking process at various regulatory agencies. Certain aspects of the new law, including, without limitation, the higher cost of deposit insurance and the costs of compliance with disclosure and reporting requirements that may be issued by the Bureau of Consumer Financial Protection, could have a significant adverse impact on the combined company's business, financial condition and results of operations. Compliance with the Dodd-Frank Act may require us to make changes to our business and operations and will likely result in additional costs and a diversion of management's time from other business activities, any of which may adversely impact our results of operations, liquidity or financial condition. While we cannot predict what effect any presently contemplated or future changes in the laws or regulations or their interpretations would have on S&T, these changes could be materially adverse to S&T's shareholders.

---

**Table of Contents**

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus contains or incorporates by reference a number of forward-looking statements, including statements about the financial conditions, results of operations, earnings outlook and prospects of S&T, Mainline and the potential combined company and may include statements for the period following the completion of the merger. Forward-looking statements are typically identified by words such as plan, believe, expect, anticipate, intend, outlook, estimate, forecast, project and other similar words and expressions.

The forward-looking statements involve certain risks and uncertainties. The ability of either S&T or Mainline to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth on page under *Risk Factors*, as well as, among others, the following:

those discussed and identified in public filings with the SEC made by S&T;

completion of the merger is dependent on, among other things, receipt of shareholder and regulatory approvals, the timing of which cannot be predicted with precision and which may not be received at all;

the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;

higher than expected increases in S&T's or Mainline's loan losses or in the level of nonperforming loans;

a continued weakness or unexpected decline in the U.S. economy, in particular in Western Pennsylvania;

a continued or unexpected decline in real estate values within S&T's and Mainline's market areas;

unanticipated reduction in S&T's and Mainline's deposit base;

government intervention in the U.S. financial system and the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board;

legislative and regulatory actions (including the impact of the Dodd-Frank Act and related regulations) subject S&T to additional regulatory oversight which may result in increased compliance costs and/or require S&T to change its business model;

the integration of Mainline's business and operations with those of S&T may take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to Mainline's or S&T's existing businesses; and

the anticipated cost savings and other synergies of the merger may take longer to be realized or may not be achieved in their entirety, and attrition in key client, partner and other relationships relating to the merger may be greater than expected.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus.

## Edgar Filing: S&T BANCORP INC - Form S-4

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to S&T or Mainline or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement/prospectus. Except to the extent required by applicable law or regulation, S&T and Mainline undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.

- 21 -

## **Table of Contents**

### **THE MAINLINE SPECIAL MEETING**

This section contains information about the special meeting of Mainline shareholders that has been called to consider and approve the merger of Mainline with and into S&T, with S&T as the surviving corporation in the merger.

Together with this proxy statement/prospectus, we are also sending you a notice of the special meeting and a form of proxy that is solicited by the Mainline board of directors. The special meeting will be held on \_\_\_\_\_, 2012, at \_\_\_\_\_ local time, at \_\_\_\_\_ located at \_\_\_\_\_, subject to any adjournments or postponements.

#### **Matters to be Considered**

The purpose of the special meeting is to vote on a proposal for adoption of the merger agreement.

You also will be asked to vote upon a proposal for the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement. Mainline has no plans to adjourn the special meeting at this time, but intends to do so, if needed, to promote shareholder interests.

#### **Proxies**

Each copy of this proxy statement/prospectus mailed to holders of Mainline common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a shareholder of record, you should complete and return the proxy card accompanying this proxy statement/prospectus to ensure that your vote is counted at the special meeting, or at any adjournment or postponement of the special meeting, regardless of whether you plan to attend the special meeting.

If you hold your stock in \_\_\_\_\_ street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.

If you hold stock in your name as a shareholder of record, you may revoke any proxy at any time before it is voted by: (1) signing and returning a proxy card with a later date; (2) delivering a written revocation letter to Mainline's Secretary; or (3) attending the special meeting in person, notifying the Secretary, and voting by ballot at the special meeting. If you hold your stock in \_\_\_\_\_ street name through a bank or broker, you must follow your bank's or broker's instructions to revoke your proxy.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy but the mere presence (without notifying Mainline's Secretary) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy may be addressed to:

**Mainline Bancorp, Inc.**

**325 Industrial Park Road**

**Ebensburg, PA 15931-4117**

**Attention: Timothy A. Bracken, Secretary**

All shares represented by valid proxies that we receive through this solicitation, that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR adoption of the merger agreement and FOR approval of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

## **Table of Contents**

### **Solicitation of Proxies**

Mainline will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Mainline will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Mainline common stock and secure their voting instructions. Mainline will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, Mainline may use several of its regular employees, who will not be specially compensated, to solicit proxies from Mainline shareholders, either personally or by telephone, facsimile, letter or other electronic means.

S&T and Mainline will share equally the expenses incurred in connection with the copying, printing and distribution of this proxy statement/prospectus.

### **Record Date**

The Mainline board of directors has fixed the close of business on \_\_\_\_\_, 2011 as the record date for the special meeting. Only Mainline shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting. At that time, \_\_\_\_\_ shares of Mainline common stock were outstanding, held by approximately \_\_\_\_\_ holders of record.

### **Voting Rights and Vote Required**

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Mainline common stock entitled to vote is necessary to constitute a quorum at the special meeting. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present.

Pursuant to Mainline's bylaws, the affirmative vote of a majority of the votes cast by holders of shares of Mainline stock entitled to vote at the Mainline special meeting is required to adopt the merger agreement. For purposes of determining the number of votes cast with respect to a matter, only those votes cast for and against a proposal are counted. Abstentions and any broker non-votes will be treated as shares that are present for purposes of determining the presence of a quorum, but will have the same effect as votes against the proposal.

As of the record date, directors and executive officers of Mainline and their affiliates, had the right to vote approximately \_\_\_\_\_ shares of Mainline common stock, or \_\_\_\_\_ % of the outstanding Mainline common stock at that date.

### **Recommendation of the Mainline Board of Directors**

The Mainline board of directors has unanimously approved the merger agreement and the transactions it contemplates, including the merger. The Mainline board of directors determined that the merger, merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Mainline and its shareholders and recommends that you vote FOR adoption of the merger agreement and FOR approval of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies. See *The Merger Mainline's Reasons for the Merger* and *Recommendation of Mainline's Board of Directors* for a more detailed discussion of the Mainline board of directors recommendation.

### **Attending the Meeting**

All holders of Mainline common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without both proper proof of share ownership and proper photo identification.

---

**Table of Contents**

**PROPOSAL 1 THE MERGER**

**Background of the Merger**

The board of directors and senior management of Mainline periodically review and evaluate Mainline's business plan and strategic alternatives in the context of Mainline's financial performance and the economic and regulatory environment for community banking and financial services companies in its market area.

In recent years, significant factors impacting that review and evaluation have been the passage in July 2010 of the Dodd-Frank Act and the anticipated effects of additional regulation and oversight on revenues, expenses and capital requirements for financial institutions, particularly community banks; the prospects for smaller community banks to effectively access the capital markets to obtain equity capital to meet increasing regulatory compliance requirements and to support growth; and the effects of continuing difficult national and local economic conditions on Mainline and its customers. Consideration of these factors included soliciting the views of various financial advisors, investment bankers and other professionals on the possible continuing effects of these factors on Mainline's ability to operate effectively and efficiently, and to provide an acceptable return to shareholders.

In assessing Mainline's strategic alternatives and prospects as an independent community bank, the board and management have also considered the continuing impact of the economic slowdown that began in 2007 on Mainline and its business, as well as the effects of the slowdown on customers and potential customers. The effects of the slowdown on the national and local economies, particularly as it affected the real estate market and the financial services industry, resulted in earnings pressure for Mainline since 2007, in large part as a result of the need to recognize other-than-temporary impairment charges on trust preferred securities issued by financial institutions and held in Mainline's investment portfolio. Although Mainline's asset quality metrics remained relatively stable during this period, the economic downturn also resulted in Mainline experiencing higher loan loss provisions than it had historically recognized, which further adversely affected earnings.

In November 2010, Mainline's Chairman was contacted by a member of senior management of another community financial institution to inquire whether Mainline would consider discussion of a business combination. In light of the factors described, Mainline's Chairman and Chief Executive Officer met on several occasions with representatives of this financial institution to discuss the potential for a business combination. The parties executed a confidentiality agreement in late November 2010 and the other financial institution conducted due diligence of Mainline during November and December 2010. In December 2010, the financial institution indicated that it would be willing to offer a price that was deemed inadequate by Mainline's board of directors, and discussions with this financial institution terminated.

In February 2011, Mainline's senior management received unsolicited telephone inquiries from certain other financial institutions with a presence in Mainline's market area inquiring generally about Mainline's interest in combining with a larger financial institution. Although none of these initial inquiries were actively pursued at that time, given the general difficult economic conditions, the perception of management and the board that costs, including compliance costs would continue to increase, the fact that it would be difficult for Mainline to grow through acquisition due to capital constraints and the challenges of using Mainline common stock as consideration, and the need to ultimately address the disposition of Mainline's outstanding preferred stock issued to the Department of Treasury under the TARP Capital Purchase Program, or CPP, the board of directors began to consider the desirability of engaging a financial advisor to conduct a formal process to determine the level of third party interest in a potential acquisition of Mainline.

In March 2011, the Bank entered into a formal agreement with its primary regulator, the OCC. The OCC agreement resulted in large part from earnings decreases driven by continuing other-than-temporary impairment charges related to trust preferred securities held in the Bank's investment portfolio. The OCC agreement required the Bank to provide plans or revise procedures

---

**Table of Contents**

in the areas of strategic planning, capital planning, profit planning, liquidity management and funds management. Although the Bank's capital position remained relatively robust and its asset quality levels continued to remain relatively stable prior to and after the Bank's execution of the OCC agreement, the existence of the OCC agreement resulted in the Bank being considered in a troubled condition for certain regulatory purposes and, as a practical matter, subjected Mainline to regulatory restrictions on its ability to grow by means of acquisition.

During this timeframe, Mainline engaged Austin Associates to assist it with preparation and submission of the plans required by the OCC agreement. Mainline also requested that Austin Associates submit a proposed engagement letter for the evaluation and potential exploration of a merger or sale of Mainline. Austin Associates submitted a proposed engagement letter for this purpose on or about April 1, 2011, and Mainline executed the engagement letter submitted by Austin Associates on May 5, 2011.

During the remainder of May and through June 2011, Austin Associates in conjunction with Mainline prepared a confidential offering memorandum for possible distribution to 21 parties determined by Austin Associates and management to have potential interest in an acquisition of Mainline. Commencing the week of June 27, 2011, Austin Associates contacted these parties to determine whether they were interested in executing a confidentiality agreement and receiving a copy of the confidential offering memorandum. Of the parties contacted, eleven executed confidentiality agreements and received a copy of the confidential offering memorandum. Of these eleven parties, five advised Austin Associates that they had retained outside advisors to assist in evaluating a potential acquisition of Mainline. The parties conducted preliminary offsite due diligence based on Mainline documents that were included in a data site.

On June 28, 2011, S&T received a confidential information memorandum from Mainline's financial advisor, Austin Associates, regarding the proposed sale involving Mainline. S&T engaged Stifel Nicolaus Weisel, or Stifel Nicolaus, as its financial advisor following receipt of the confidential information memorandum. On June 30, Stifel Nicolaus had a telephonic meeting with S&T management to discuss a potential transaction between S&T and Mainline.

On July 20, 2011, S&T held a telephonic meeting of its board of directors, in which members of management participated as well. Stifel Nicolaus provided the board with an analysis of a potential acquisition of Mainline, and following deliberation and discussion by the board, it approved the submission of an initial indication of interest to Mainline. Certain members of S&T management participated in the telephonic meeting at the invitation of the board.

Five parties, including S&T, submitted preliminary indications of interest by the preliminary bid deadline of July 22, 2011. Austin Associates reviewed these preliminary indications of interest with Mainline's board of directors at a meeting held on July 26, 2011. Of the five preliminary indications of interest received, one was an all cash offer at \$54.00 per Mainline share, two were all stock offers in a range of \$42.00 to \$47.50 per Mainline share, respectively, one was a mixed cash-stock election of 50% cash and 50% stock with a fixed exchange ratio at \$48.00 per Mainline share, and \$66.00 to \$68.00 per Mainline share offered by S&T in a mixed cash-stock election consisting of 60% stock and 40% cash with a fixed exchange ratio. The indications of interest were conditioned on completion of additional due diligence.

Following the meeting of Mainline's board of directors on July 26, 2011, Austin Associates contacted each party that had submitted a preliminary indication of interest, other than S&T, and inquired whether each party would be interested in increasing the amount of its proposed consideration to the range submitted by S&T (without identifying S&T by name). Each party declined to increase its proposed consideration to the range submitted by S&T.

On July 28, 2011, the chief executive officers of each of S&T and Mainline held a meeting by telephone to discuss a potential transaction. The parties agreed to continue discussions to determine whether a transaction was desirable.

---

**Table of Contents**

S&T and Mainline held a meeting on August 11, 2011 to discuss the transaction further. Management of each of S&T and Mainline participated in the meeting. Stifel Nicolaus and Austin Associates attended the meeting. The parties discussed management and financial issues of both banks, and the structure and pricing of the proposed transaction.

S&T held several conference calls with Stifel Nicolaus between August 16-17, 2011 to discuss the pricing structure of the transaction in light of the market volatility caused by the United States debt downgrade, and Stifel Nicolaus held a telephonic meeting with Austin Associates on August 19, 2011 to further evaluate pricing concerns.

S&T thereafter continued to conduct additional due diligence on Mainline, including on-site due diligence and management interviews, and the parties continued to discuss, through their advisors, the terms of a potential business combination. On August 22, 2011, S&T submitted a revised written, non-binding proposal to acquire Mainline, which was subject, among other things, to completion of due diligence by S&T. In this letter, S&T proposed a transaction price of \$70.00 per Mainline share, in a merger transaction in which Mainline shareholders would be permitted to select cash, S&T common stock, or a combination of cash and S&T common stock, subject to a limit on total consideration of 40% cash and 60% S&T common stock. The S&T letter proposed a floating exchange ratio within collars intended to result in \$70.00 in value to Mainline shareholders who elected to receive S&T common stock in the transaction, provided that a Mainline shareholder electing to receive S&T common stock in the transaction would receive no more than 4.375 shares and no fewer than 3.684 shares of S&T common stock for each Mainline share held. The value of S&T common stock for purposes of determining the exchange ratio would be determined during a 10-day pricing period ending five days prior to closing the transaction.

On August 22, 2011, S&T held a telephonic meeting to discuss the proposed merger agreement, the terms of the revised indication of interest, pricing concerns and the timing to negotiate a transaction agreement. Stifel Nicolaus and S&T's outside legal advisors from Arnold & Porter LLP participated in the meeting. Members of S&T management also participated in the meeting. Following the meeting, Stifel Nicolaus submitted a revised indication of interest to Austin Associates.

The Mainline board of directors reviewed the August 22, 2011 letter from S&T at a meeting held on August 23, 2011. A representative of Austin Associates and a representative of Mainline's special outside counsel, Stevens & Lee, P.C., were present at this meeting. Mainline's advisors reviewed with the board of directors the terms of the August 22, 2011 letter from S&T and also reviewed with the board of directors the general timing for a transaction of this type, including completion of the due diligence process, negotiation and execution of a definitive merger agreement and other documentation, the timing of public disclosure, the fairness opinion letter process, the shareholder approval and SEC filing and review process, and the regulatory review and approval process. At this meeting, the board of directors authorized members of senior management to contact representatives of S&T and indicate Mainline's desire to pursue a business combination with S&T on the terms and conditions set forth in the August 22, 2011 S&T letter, subject to negotiation of appropriate definitive agreements and execution of such agreements following review and approval by Mainline's board of directors.

On August 23, 2011, Mainline notified S&T that it desired to pursue exclusive negotiations for an acquisition transaction with S&T, based on its non-binding indication of interest letter, dated August 22, 2011, and requested that S&T conclude its due diligence procedures and prepare and submit a draft merger agreement for S&T's consideration. Austin Associates, on behalf of Mainline, also completed a review of certain reverse due diligence items relating to S&T during the week of August 22, 2011.

The management team from S&T that conducted the Mainline due diligence participated in a telephonic conference with Stifel Nicolaus on September 1, 2011 to discuss material issues arising from the due diligence. Also, S&T management held a telephonic meeting on September 1, 2011 in which Stifel Nicolaus and Arnold & Porter participated. The parties discussed the results of the due diligence, and discussed the material terms of the draft merger agreement.

---

## **Table of Contents**

On September 2, Arnold & Porter LLP submitted a draft merger agreement to Stevens & Lee, which was distributed to senior management of Mainline and to Austin Associates. From September 2 through September 12, 2011, counsel for S&T and Mainline, together with their representatives and financial advisors, negotiated the terms and conditions of the proposed merger agreement and related documentation.

The board of directors of S&T convened a telephonic meeting on September 12, 2011 to discuss the proposed transaction with Mainline and the definitive merger agreement which had been previously circulated to them. Stifel Nicolaus reviewed the financial terms of the proposed agreement, including the price adjustment provisions and the merger consideration alternatives, and responded to questions from the board. The S&T board of directors unanimously approved the merger agreement at the meeting.

On September 13, 2011, Mainline's board of directors held a special meeting to review and consider the terms of the proposed merger agreement. At this meeting, representatives of Austin Associates and Stevens & Lee reviewed in detail the financial terms of the transaction and the provisions of the merger agreement. Austin Associates advised the Mainline board of directors that the structure of the form of payment of the consideration (60% stock; 40% cash) remained unchanged from the August 22, 2011 S&T indication of interest letter, but that the total amount of the consideration had been revised from \$70.00 to \$69.00 as a result of completion of due diligence and finalizing the anticipated costs necessary to terminate certain service and other contracts in connection with completing the merger. Following completion of the review of the financial terms of and financial analyses involving the proposed transaction, Austin Associates rendered an oral opinion (subsequently confirmed in writing) that the merger consideration was fair to shareholders of Mainline from a financial point of view. Stevens & Lee reviewed in detail with the Mainline board of directors the terms of the proposed merger agreement, and also the directors' fiduciary duties under Pennsylvania law in approving the transaction. After careful consideration of these presentations and further discussion, the Mainline board of directors unanimously approved the merger agreement and agreed to recommend that Mainline's shareholders approve the merger agreement and the transactions provided for in the merger agreement.

On September 14, 2011, the parties executed the merger agreement and issued a joint press release announcing the transaction following the close of trading on the Nasdaq Stock Market.

### **Mainline's Reasons for the Merger**

**Mainline's board of directors carefully considered the process by which potentially interested acquirers were identified, the indications of interest that were received, the terms of the merger agreement and the value of the merger consideration to be received by the holders of Mainline common stock. After careful consideration, Mainline's board of directors determined that it is advisable and in the best interests of Mainline and its shareholders for Mainline to enter into the merger agreement with S&T. Accordingly, Mainline's board of directors unanimously recommends that Mainline's shareholders vote FOR adoption of the merger agreement.**

In the course of making its decision to approve the transaction with S&T, Mainline's board of directors consulted with Mainline's senior management and Mainline's financial and legal advisors. Mainline's board of directors considered among other things, the following factors:

The board's understanding and assessment of the existing and prospective operating environment for community banks in Mainline's market area, including the effects of adverse national and regional economic conditions and the likelihood of increasing regulatory burdens on community banking organizations, and the impact of these factors on Mainline's potential future profitability and strategic options.

The board's acknowledgement of the increasing importance of scale in the financial services industry, and its assessment of Mainline's ability to achieve the relative size and economies of scale necessary for Mainline to grow and prosper as a stand-alone community banking organization versus the potential benefits to Mainline and its stakeholders in a business combination transaction with a significantly larger financial institution.

**Table of Contents**

The board's understanding of Mainline's historical business, operations, financial condition and results of operations and its assessments of Mainline's future prospects in the markets in which Mainline operates.

The board's perception of certain factors limiting Mainline's ability to grow to any significant size organically or by acquisition, including the perceived limitations on Mainline's ability to raise capital on acceptable terms to fund growth given, among other things, Mainline's asset size, the existence of the OCC formal agreement and Mainline's obligations at some time in the future to refinance its outstanding obligations under the CPP.

The comprehensive process conducted by Mainline's senior management and Austin Associates, Mainline's financial advisor, to identify potential merger candidates and to solicit indications of interest from potential merger candidates relating to the terms, including consideration, of a potential business combination.

The financial aspects of the transaction, including the amount of the merger consideration compared to the amounts of consideration in other recent financial institution transactions and the fact that, as of September 13, 2011, the merger consideration represented almost three times the last published closing price of the Mainline common stock and approximately 1.3 times the tangible book value per share of the Mainline common stock as of June 30, 2011.

The board's perception of the quality of the products and services offered by S&T that would be available to Mainline customers who remained S&T customers after the merger, including benefits resulting from increased lending limits and other products and services provided by S&T as a much larger financial institution with \$4.1 billion in total assets.

The board's evaluation of the financial analysis and financial presentation of Austin Associates, including an evaluation of prices, multiples of earnings per share and premiums to book value and market value paid in recent financial institution transactions, as well as Austin's oral opinion, which opinion was confirmed by delivery of Austin Associate's written opinion dated September 13, 2011, that, as of such date and based on its analysis and subject to the qualifications set forth in the opinion, the merger consideration was fair from a financial point of view to Mainline and its shareholders.

The fact that at least 60% of the Mainline common stock to be exchanged will consist of shares of S&T common stock as set forth in the merger agreement, permitting Mainline shareholders who elect to receive S&T common stock in the transaction the opportunity to elect to receive shares of S&T common stock in the transaction and thereby participate in a portion of the future performance of the combined company, subject to the election, allocation and pro ration provisions of the merger agreement.

The fact that Mainline shareholders electing to receive S&T common stock in the transaction would experience substantially increased liquidity given the trading volume of S&T common stock on The Nasdaq Global Select Market and the substantially greater market capitalization of S&T, and the fact that S&T has paid a cash dividend on its common stock of \$0.15 per share over the past eight quarters.

The fact that up to 40% of the Mainline common stock may be exchanged for cash consideration of \$69.00 per Mainline share of common stock and the provisions of the merger agreement providing for mixed cash-stock elections, permitting Mainline shareholders the opportunity to elect to receive all cash, all S&T common stock or a combination of cash and S&T common stock, subject to the election, allocation and proration provisions of the merger agreement.

The fact that the transaction is expected to be a tax-free exchange to the extent Mainline shareholders receive S&T common stock in exchange for their Mainline shares.

## Edgar Filing: S&T BANCORP INC - Form S-4

The board's assessment of the results that could be expected to be obtained by Mainline if it continued to operate independently and the potential future trading value of Mainline common stock compared to the value of the merger consideration offered by S&T and the potential future trading value of the S&T common stock.

- 28 -

---

**Table of Contents**

The board's review with its legal and financial advisors of the terms of the merger agreement. Mainline's board of directors also considered certain potentially adverse factors in connection with the merger, including the following:

The risks associated with possible delays in obtaining necessary regulatory and shareholder approvals and the terms of such regulatory approvals.

Provisions of the merger agreement which require that the OCC formal agreement be terminated as a condition of closing the transaction and the potential risks that such condition would not be fulfilled.

Provisions of the merger agreement which prohibit Mainline from soliciting, and limit its ability to respond to, acquisition proposals from parties other than S&T and the obligation of Mainline to pay a termination fee of \$876,000 in the event that the merger agreement terminates as a result of these provisions.

The fact that the stock consideration provisions of the merger agreement, which provide for a floating exchange ratio intended to result in \$69.00 in value to Mainline shareholders electing to receive stock in the transaction based on the average S&T common stock price over a 10-day period shortly before closing subject to a maximum of 4.3125 shares and a minimum of 3.6316 shares, might result in an aggregate value of S&T shares paid to Mainline shareholders receiving S&T common stock in the transaction being less than \$69.00 per share of Mainline common stock at closing.

The possibility that merger integration activities would occupy more of management's time and attention than anticipated and therefore impact other business priorities. Mainline's board of directors realizes that there can be no assurance about future results, including results expected or considered in the factors listed above. The board of directors concluded, however, that the potential positive factors outweighed the potential risks of completing the merger.

During its consideration of the merger, Mainline's board of directors was also aware that some of its directors and executive officers may have interests in the merger that are different from or in addition to those of shareholders generally, as described under the heading *The Merger - Mainline's Directors and Executive Officers Have Financial Interests in the Merger* on page .

The foregoing discussion of the information and factors considered by Mainline's board of directors is not exhaustive, but includes the material factors considered by Mainline's board. In view of the wide variety of factors considered by the Mainline board of directors in connection with its evaluation of the merger and the complexity of these matters, the Mainline board of directors did not consider it practical to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. Mainline's board of directors evaluated the factors described above, including asking questions of Mainline's legal and financial advisors. In considering the factors described above, individual members of Mainline's board of directors may have given different weights to different factors. The Mainline board of directors relied on the experience and expertise of its legal advisors regarding the structure of the merger and the terms of the merger agreement and on the experience and expertise of its financial advisors for quantitative analysis of the financial terms of the merger. It should also be noted that this explanation of the reasoning of Mainline's board of directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading *Cautionary Statement Regarding Forward-Looking Statements* on page .

**Recommendation of Mainline's Board of Directors**

Mainline's board of directors believes that the terms of the transaction are in the best interests of Mainline and its shareholders and has unanimously approved the merger agreement. **Accordingly, Mainline's board of directors unanimously recommends that Mainline shareholders vote FOR adoption of the merger agreement.**



---

## Table of Contents

### **Opinion of Mainline's Financial Advisor**

Mainline retained Austin Associates in May 2011 to provide financial advisory services in connection with the potential sale of Mainline. Austin Associates is an investment banking and consulting firm specializing in community bank mergers and acquisitions. Mainline selected Austin Associates as its financial advisor on the basis of Austin Associates' experience and expertise in representing community banks in similar transactions.

Austin Associates acted as financial advisor to Mainline in connection with the proposed merger and participated in certain of the negotiations leading to the merger agreement. As part of its engagement, Austin Associates assessed the fairness, from a financial point of view, of the merger consideration being received by the shareholders of Mainline. Austin Associates attended the September 13, 2011 meeting at which Mainline's board considered and approved the merger agreement. At that meeting, Austin Associates delivered to the board its oral opinion, subsequently confirmed in writing that, as of such date, the merger consideration was fair to Mainline, and its shareholders, from a financial point of view. The full text of Austin Associates' opinion is attached as *Annex B* to this proxy statement/prospectus. The description of the opinion set forth below is qualified in its entirety by reference to the opinion.

You should consider the following when reading the discussion of Austin Associates' opinion in this proxy statement/prospectus:

The opinion letter details the procedures followed, assumptions made, matters considered, and qualifications and limitations of the review undertaken by Austin Associates in connection with its opinion, and should be read in its entirety;

Austin Associates expressed no opinion as to the price at which Mainline's or S&T's common stock would actually be trading at any time;

Austin Associates' opinion does not address the relative merits of the merger and the other business strategies considered by the Mainline's board, nor does it address the board's decision to proceed with the Merger; and

Austin Associates' opinion rendered in connection with the merger does not constitute a recommendation to any Mainline shareholder as to how he or she should vote at the special meeting.

The preparation of a fairness opinion involves various determinations as to the most appropriate methods of financial analysis and the application of those methods to the particular circumstances. It is, therefore, not readily susceptible to partial analysis or summary description. In performing its analyses, Austin Associates made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of Mainline and S&T and may not be realized. Any estimates contained in Austin Associates' analyses are not necessarily predictive of future results or values, and may be significantly more or less favorable than the estimates. Estimates of values of companies do not purport to be appraisals or necessarily reflect the prices at which the companies or their securities may actually be sold. Unless specifically noted, none of the analyses performed by Austin Associates was assigned a greater significance by Austin Associates than any other. The relative importance or weight given to these analyses is not affected by the order of the analyses or the corresponding results. The summaries of financial analyses include information presented in tabular format. The tables should be read together with the text of those summaries.

With respect to the internal projections and estimates for Mainline, the publicly available earnings estimates used for S&T, and the projections of transaction costs, purchase accounting adjustments and expected cost savings, S&T and Mainline's management confirmed to us that they reflected the best currently available estimates and judgments of management of the future financial performance of Mainline and S&T, respectively, and we assumed that such performance would be achieved. We express no opinion as to such financial projections and estimates or the assumptions on which they are based. We have also assumed that there has been no material change in Mainline or S&T assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to us. We have assumed in all respects material to our analysis that Mainline

## Table of Contents

and S&T will remain as going concerns for all periods relevant to our analyses, that all of the representations and warranties contained in the merger agreement are true and correct, that each party to the merger agreement will perform all of the covenants required to be performed by such party under the merger agreement, and that the conditions precedent in the merger agreement are not waived. Finally, we have relied upon the advice Mainline has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the Merger and the other transactions contemplated by the merger agreement.

Austin Associates has relied, without independent verification, upon the accuracy and completeness of the information it reviewed for the purpose of rendering its opinion. Austin Associates did not undertake any independent evaluation or appraisal of the assets and liabilities of S&T or Mainline, nor was it furnished with any appraisals. Austin Associates has not reviewed any individual credit files of S&T or Mainline, and has assumed that S&T's and Mainline's allowances are, in the aggregate, adequate to cover inherent credit losses. Austin Associates' opinion is based on economic, market and other conditions existing on the date of its opinion. No limitations were imposed by Mainline's board or its management upon Austin Associates with respect to the investigations made or the procedures followed by Austin Associates in rendering its opinion.

In rendering its opinion, Austin Associates made the following assumptions:

that all material governmental, regulatory and other consents and approvals necessary for the consummation of the merger would be obtained without any adverse effect on Mainline, S&T or on the anticipated benefits of the merger;

that Mainline and S&T have provided all of the information that might be material to Austin Associates in its review; and

that the financial projections it reviewed were reasonably prepared on a basis reflecting the best currently available estimates and judgment of the management of Mainline and S&T as to the future operating and financial performance of Mainline and S&T, respectively.

In connection with its opinion, Austin Associates reviewed:

the merger agreement;

certain publicly available financial statements and other historical financial information of S&T that we deemed relevant;

certain publicly available financial statements and other historical financial information of Mainline that we deemed relevant;

internal financial projections for Mainline for the years ending December 31, 2011 through 2012 prepared by and reviewed with management of Mainline;

publicly available median earnings estimates for S&T for 2011 and 2012;

the pro forma financial impact of the merger on S&T, based on assumptions relating to transaction expenses, accounting adjustments, and cost savings determined by and discussed with senior management of S&T;

## Edgar Filing: S&T BANCORP INC - Form S-4

publicly reported historical price and trading activity for Mainline and S&T common stock, including a comparison of certain financial and stock market information for Mainline and S&T with similar publicly available information for certain other companies the securities of which are publicly traded;

the financial terms of certain recent business combinations in the commercial banking industry, to the extent publicly available;

the terms of the formal written agreement entered into between the Bank and the OCC dated as of March 22, 2011;

current market environment generally and the banking environment in particular; and

such other information, financial studies, analyses and investigations and financial, economic and market criteria as we considered relevant.

---

## Table of Contents

Austin Associates also discussed with certain members of senior management of Mainline the business, financial condition, results of operations and prospects of Mainline, including certain operating, regulatory and other financial matters. We held similar discussions with certain members of senior management of S&T regarding the business, financial condition, results of operations and prospects of S&T.

The following is a summary of the material factors considered and analyses performed by Austin Associates in connection with its opinion provided to Mainline's board of directors on September 13, 2011. The summary does not purport to be a complete description of the analyses performed by Austin Associates. Capitalized terms used herein without definition shall have the meanings given to such terms in the merger agreement.

**Formal Agreement between the Bank and the OCC.** The Bank entered into a formal agreement with the OCC effective March 22, 2011. The terms of the formal agreement are more fully described above under *The Merger Background of the Merger*.

**The Process for Soliciting Indications of Interest.** After analysis and discussions with Mainline, Austin Associates contacted certain banking organizations based on criteria established by Austin Associates and approved by Mainline. Twenty-one organizations were contacted, of which 11 executed confidentiality agreements and received confidential information detailing the business and operations of Mainline. Each organization was requested to submit a nonbinding indication of interest to acquire Mainline. In total, Mainline received five separate nonbinding indications of interest. After discussions with several parties, Mainline decided to negotiate exclusively with S&T primarily due to the financial terms of their proposal, as well as the financial capacity of S&T to complete the transaction.

**Summary of Financial Terms of Merger Agreement.** Austin Associates reviewed the financial terms of the merger agreement, including the form of consideration, the pricing formula of the exchange ratio for the stock portion of the consideration, and the resulting value per share to be received by Mainline common shareholders pursuant to the proposed merger.

The terms of the merger agreement provide that each outstanding common share of Mainline stock shall be converted at the election of the shareholder into either (i) shares of S&T common stock based upon the exchange ratio; (ii) cash, at the rate of \$69.00 for each share of Mainline common stock; or (iii) a combination of shares of S&T common stock and cash. The shareholder election is subject to allocation procedures such that a minimum of sixty percent (60%) of Mainline common stock in the aggregate shall be converted into and become shares of S&T common stock and up to forty percent (40%) of Mainline common stock may be converted into the right to receive cash.

The exchange ratio shall be calculated as follows: (a) if the S&T Share Price is equal to or greater than \$16.00, or equal to or less than \$19.00, then a quotient obtained by dividing \$69.00 by the S&T Share Price; (b) if the S&T Share Price is greater than \$19.00, then 3.6316; and (c) if the S&T Share Price is less than \$16.00, then 4.3125. The S&T Share Price is the average high and low sale price of a share of S&T common stock, as reported on the Nasdaq Stock Market, over the 10 trading days ending five days prior to the Election Deadline.

Unless redeemed prior to or at the closing, Mainline's Series A Preferred Stock and Series B Preferred Stock shall be converted automatically into equivalent preferred stock of S&T. The rights, preferences, privileges and voting powers will not be adversely affected by such conversion.

Each outstanding option to purchase shares of Mainline common stock shall be cancelled and each holder of a Mainline stock option shall receive in consideration an amount equal to the difference between \$69.00 and the exercise price of such Mainline stock option.

Based on 309,605 common shares of Mainline outstanding, options to purchase 35,530 common shares of Mainline at a weighted average price of \$63.65 per share and an S&T market price between \$16.00 and \$19.00,

**Table of Contents**

the aggregate value of the transaction is estimated at \$21.6 million. Austin Associates calculated that the value of \$21.6 million represented as of June 30, 2011:

127 percent of book value;

128 percent of tangible book value; and

a 2.6 percent premium above tangible book value as a percent of core deposits.

Due to Mainline's low level of reported net income over the last twelve months, or LTM, the price-to-earnings ratio did not produce a meaningful result.

**Comparable Transaction Analysis.** Austin Associates compared the financial performance of certain selling institutions and the prices paid in selected transactions to Mainline's financial performance and the transaction multiples being paid by S&T for Mainline. Specifically, Austin Associates reviewed certain information relating to Mid-Atlantic bank and thrift sale transactions from July 1, 2010 to September 9, 2011 involving sellers with total assets of less than \$1.0 billion. Seventeen transactions met the transaction criterion. The median year-to-date return on average assets, or ROAA, of the selling banks was 0.22 percent. Further, the median non-performing assets, or NPA, to assets ratio measured 3.81 percent. In contrast, Mainline reported year-to-date ROAA of 0.11 percent and an NPA to asset ratio of 0.93 percent. The indicated price to tangible book ratio being paid by S&T for Mainline of 128 percent is slightly higher than the median price to tangible book ratio of 125 percent for this transaction group. The median price-to-earnings multiple for the transaction group was 26.2. The price-to-earnings multiple for Mainline was not meaningful. The indicated core deposit premium being paid by S&T for Mainline of 2.6 percent equaled the median premium paid for the transaction group.

The following table highlights the results of this guideline transaction comparison:

	<b>Median Mid-Atlantic</b>	<b>Mainline <sup>(1)</sup></b>
<b><u>Seller's Financial Performance</u></b>		
Total Assets (in \$ millions)	\$ 271	\$ 242
Tangible Equity / Tangible Assets	8.67%	8.90%
ROAA	0.22%	0.11%
Return on Average Equity, or ROAE	1.86%	1.28%
Efficiency Ratio	76.6%	81.2%
Nonperforming Assets/Assets	3.81%	0.93%
<b><u>Deal Transaction Multiples</u></b>		
Price/Tangible Book Value Ratio	125%	128%
Price/LTM Earnings	26.2	N.M.
Premium/Core Deposits	2.6%	2.6%

(1) Mainline's financial performance and deal transaction multiples based on year-to-date core net income ending June 30, 2011.

**S&T Financial Performance and Market Trading Data versus Peers.** Austin Associates compared selected results of S&T's operating performance to those of 18 publicly traded banks in the mid-Atlantic region having total assets between \$2.0 billion and \$10.0 billion. Austin Associates considered this group of financial institutions comparable to S&T on the basis of asset size and geographic location.

**Table of Contents**

This peer group consisted of the following companies:

Name	Symbol	Name	Symbol
1. Bancorp, Inc.	TBBK	10. Lakeland Bancorp	LBAI
2. Capital Source, Inc.	CSE	11. Metro Bancorp, Inc.	METR
3. Community Bank System, Inc.	CBU	12. NBT Bancorp, Inc.	NBTB
4. Eagle Bancorp, Inc.	EGBN	13. National Penn Bancshares	NPBC
5. F.N.B. Corporation	FNB	14. Sandy Spring Bancorp, Inc.	SASR
6. Financial Institutions, Inc.	FISI	15. Sterling Bancorp	STL
7. First Commonwealth Financial	FCF	16. Sun Bancorp, Inc.	SNBC
8. Hudson Valley Holding Corp.	HVB	17. Tompkins Financial Corporation	TMP
9. Intervest Bancshares Corp.	IBCA	18. Univest Corp of Pennsylvania	UVSP

Austin Associates noted the following selected financial measures for the peer group as compared to S&T:

	Peer Financial Performance			
	25 <sup>th</sup> Pct	Median	75 <sup>th</sup> Pct	S&T
Total Assets (\$ bil)	\$ 2.4	\$ 3.0	\$ 5.6	\$ 4.1
Tangible Common Equity / Tangible Assets	7.74%	8.11%	10.10%	8.08%
Tangible Equity / Tangible Assets	7.75%	9.08%	10.10%	10.82%
LTM PTPP / Average Assets	1.43%	1.70%	1.92%	2.16%
LTM Core ROAA	0.40%	0.79%	0.95%	1.10%
LTM Core ROAE	3.48%	6.87%	9.37%	7.82%
LTM Efficiency Ratio	65.4%	60.8%	58.3%	53.3%
NPAs / Total Assets	2.36%	1.88%	0.96%	1.72%
NPAs / (Tangible Equity + Allowance for Loan and Lease Losses, or ALLL)	23.9%	19.2%	8.8%	14.6%

Pre-Tax Pre-Provision, or PTPP, equals Net Interest Income plus Noninterest Income, less Noninterest Expense.

This comparison indicated that S&T exceeded the 75<sup>th</sup> percentile of the peer group in overall profitability (ROAA and PTPP) while approximating the median asset quality (NPAs/Assets). S&T ranked at the median in tangible common equity to assets and above the 75<sup>th</sup> percentile in tangible equity / tangible assets. The following presents a summary of the market trading data of S&T compared to this same peer group:

As of 9/9/2011	Peer Market Trading Data			
	25 <sup>th</sup> Pct	Median	75 <sup>th</sup> Pct	S&T
Price / Tangible Book Value per Share	97%	113%	131%	145%
Price / LTM Core EPS	11.3	12.1	13.8	11.6
Price / 2011 EPS Estimate	10.4	11.0	13.3	12.3
Price / 2012 EPS Estimate	9.6	10.1	11.1	10.1
Dividend Yield	0.16%	3.08%	4.50%	3.71%
LTM Average Monthly Volume (000)	928	1,664	4,412	1,923

S&T traded above the 75<sup>th</sup> percentile of the peer group as measured by price to tangible book, but approximated the 25<sup>th</sup> percentile in price to LTM Core earnings per share, or EPS. S&T exceeded the median of the guideline group in both dividend yield and monthly trading volume.

**Pro Forma Merger Analysis.** Austin Associates analyzed the potential pro forma effect of the merger assuming the merger is completed at the end of the fourth quarter of 2011 at the exchange ratios of 3.6316 to 4.3125 (assumes an S&T market price of between \$16.00 and \$19.00). Assumptions were made regarding the accounting adjustments, costs savings and other acquisition adjustments based on discussions with management of Mainline and S&T. Public earnings estimates for 2012 were used for S&T. This analysis indicated that the merger is expected to be accretive to S&T's estimated 2012 EPS (excluding one-time transaction costs) and dilutive to tangible book value per share. S&T would continue to be well-capitalized following the merger.



**Table of Contents**

**Pro Forma Dividends Per Share to Mainline.** Based on the range of exchange ratios and S&T's current annual cash dividend rate of \$0.60 per share, Mainline's common shareholders will receive between \$2.18 and \$2.59 in cash dividends per share. Mainline has not paid a cash dividend since 2009.

**Austin Associates Compensation and Other Relationships with Mainline and S&T.** Mainline has agreed to pay Austin Associates certain fees for its services as financial advisor in connection with the merger. Mainline paid Austin Associates a cash fee of \$20,000 upon execution of the engagement letter with Austin Associates. Mainline paid Austin Associates a cash fee of \$30,000 upon execution of the merger agreement which included the issuance of the Austin Associates fairness opinion. Additionally, Mainline has agreed to pay Austin Associates a cash fee at closing of the Merger equal to 1.00 percent of the aggregate consideration paid to Mainline's common shareholders. In addition, Mainline has agreed to reimburse Austin Associates for its reasonable out-of-pocket expenses, and to indemnify Austin Associates against certain liabilities, including liabilities under securities laws.

Under a separate engagement letter, Austin Associates provided regulatory consulting assistance to Mainline in 2011, the fees of which were not material to Austin Associates' overall business.

Austin Associates does not have any prior, existing or pending engagements with S&T.